

NEWS SUMMARY

GENERAL

Freed Russian lies to London

Vladimir Bukovsky, the most dissident freed in exchange for Sen. Luis Corvalan, the Chilean Communist leader, flew from Zurich to London yesterday.

He said at a Press conference at Heathrow airport that the title for democracy in Russia is part of the universal struggle for freedom and justice and it is in England that he hopes to have the strongest support for the cause.

Meanwhile, Soviet authorities have ordered the Moscow homes of Ar Orlov, Alexander Ginzburg and Lada Alexeyeva, three leading dissidents, to be searched for evidence that proved the three were directed from abroad.

BUSINESS

Equities rise 5.9; Wall St. off 11.88

EQUITIES began the year with a flourish, but profit-taking pared some of the gains. The FT 30-share index, after rising 9.5, closed 5.9 up on the day at 360.6. Rises led falls in FT-quoted Industrials by 11 to 2. Investment dollar premium fell 3 points to 118 1/2 per cent.

Leaders and laggards for 1976, Page 2

● GILTS improved, anticipating a further cut in minimum lending rate on Friday. Government Securities Index added 0.18 at 60.43. Back Page

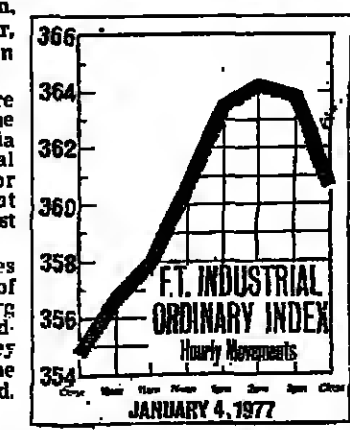
● GOLD rose \$1 1/2 to \$135 1/2.

● STERLING gained 68 points from last Friday at \$1.7085. Its weighted depreciation remained 44.1 per cent. Dollar's weighted average widened to 2.66 (1.90).

Year-end money market and exchange rates, Page 17

● WALL STREET closed 11.88 lower at 987.87.

● U.S. TREASURY Bill rates: Three 4.407 (4.298) per cent; sizes 4.555 (4.474).



MP demands gas blast probe

William Molloy, Labour MP for North East, has called for government investigation into the gas explosion over the Christmas and New Year holiday period. Yesterday there were gas blasts at Liverpool and Huddersfield.

Outside Glasgow, an explosion destroyed two warehouses and damaged a neighbouring power station. Page 8

Palestinian state plans

Palestinian Central Council meets next Tuesday in Damascus amid clear indications that the movement will soon set up a government-in-exile and insist on individual representation at a reconvened peace conference next year. Back Page

Senate leader

Senator Robert Byrd of West Virginia became majority leader of the U.S. Senate yesterday, succeeding Senator Mike Mansfield who is retiring.

Financial Times apologises

for the non-appearance of the paper yesterday. This was an official withdrawal of labour by members of the office branch of the National Society of Operative Printers, Lithographers and Media Personnel.

Parliamentary hearing

Carriers of the expedition led by the Government against the icebreaker Mr. Jim Slater and Richard Turling begin today before the Chief Metropolitan Magistrate.

Drama bombs

cinemas have stopped the Victory at Entebbe, a play about the Israeli rescue of hostages from Entebbe last year, after time-bombs were found in three of a group calling itself the First Organisation has responsibility.

I that tiger

Wildlife Fund has had plans for a "fight" in Hall between a tiger and a tiger.

Fly ...

mad All, the World Circuit Boxing Champion, to pay at least \$1.5m. A divorcee granted second wife.

abby Fischer, the U.S. chess champion, has been invited to play in the 1977 Chess Championship by the U.S. Chess Federation.

ley Williams, Secretary of Education and Science and Minister General, is to receive a £100,000 award for promoting equality from the FVS Foundation of Hamburg.

General Anthony Ward, 4th, director of the Army Air Corps, was seriously injured in an aircraft crash.

an police said that they had a trace of the 15 prisoners who broke out of Treviso jail Sunday.

COMPANIES

● RANKS ROVIS McDougall is making a \$23.1m. (over £13.5m.) takeover bid for Red Wing, the New York-based grocery manufacturer and distributor. Back Page 22

● LONDON BRICK is making a \$3.7m. agreed bid for Croydex, whose shares gained 57 to 122p. a 1976-77 high. Page 21

● ESPERANZA TRADE and Transport pre-tax profits for the six months to September 30 jumped to a record £2.75m. (£1.05m.). Page 20

RISE PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

Lea Group	118 + 22
MEPC	46 + 4
Mercury Secs.	86 + 10
Myddleton Hotels	85 + 13
10 pence	65 + 10
Paris and Whites	90 + 11
Phillip's Lamp	945 + 27
Rank Organisation	140 + 12
Royal Insurance	284 + 14
Stock Commission	171 + 8
Thomson Org.	251 + 12
Thorn A	216 + 10
Tratrafal House	95 + 4
Tube Ins.	310 + 10
Viking Resources	74 + 10
Welfers	131 + 6
Wigfall (H.)	117 + 17
RP	820 + 18
Oil Exploration	105 + 9
De Beers Ltd.	213 + 10
Messina	153 + 10
ZCL	211 + 4

Rhodesia solution may be black majority council

BY QUENTIN PEEL JOHANNESBURG, Jan. 4.

A black majority Council of Ministers headed by a British resident commissioner is understood to be the formula favoured by Mr. Ivor Richard, chairman of the Geneva Conference, as the basis for Rhodesia's interim government.

The plan for the government, which would lead Rhodesia to full independence under majority rule, would do away with the two-tier formula proposed by Dr. Mr. Ian Smith, the Rhodesian Prime Minister, at week-end talks in Salisbury.

This included an overall Council of State, with a white chairman, as well as a Council of Ministers. Mr. Richard's unicameral proposal would replace the Council of State with an inner Cabinet within the Council of Ministers, made up of the leaders of the political groups involved in the interim government.

The vexed problem of who would control the police and armed forces would be tackled by the establishment of a National Security Committee of Council, which might include technical outsiders as well as political representatives.

In this, as in the Council of Ministers and inner Cabinet, the British Resident Commissioner would play a "balancing role". There would be built-in constitutional protection in that he would vote with the majority to push issues through the Council.

Mr. Richard, who arrived in the Botswana capital of Gaborone today on the fourth leg

Problem

There is clearly still considerable vagueness in the plan, which Mr. Richard is insisting publicly that he is not putting forward any firm proposals at this stage, merely discussing "various ideas".

He said when he reached Gaborone, where he is to see the President, Sir Seretse Khama, tomorrow, that "most people concerned with the problem believe Britain would have to perform a 'neutral balancing role' in an interim Government. The nature and extent and precise definition of it is not something that I am clear about yet; nor indeed, it seems, are the other parties."

Senior Government sources in Rhodesia let it be known at the weekend that Mr. Smith had rejected outright any suggestion which provided for a unicameral Council of Ministers—with a black majority.

He also said that a British role in the transition would be "unacceptable" because the Rhodesian people did not trust the British.

Mr. Richard, on the other hand, appears to feel that even if Mr. Smith finds the suggestion "unpalatable", he is still prepared privately to think about it. The British envoy returns to Salisbury in about one week's time to find out the Rhodesian reply.

The British ideas apparently have not made much more progress towards acceptance in South Africa, where Mr. Richard yesterday met Mr. Vorster, the Prime Minister, at his holiday retreat outside Port Elizabeth.

Mr. Richard declared afterwards that the talks had been "helpful, useful and constructive," the South African

Shipbuilding talks must go ahead, Japan told

BY JOHN WYLES, SHIPPING CORRESPONDENT

A JAPANESE attempt to postpone crucial talks on the world shipbuilding crisis, due to take place in Paris next week, has been swiftly rebuffed by the EEC Governments.

After telephone calls between European capitals, the Japanese were told yesterday that the Organisation for Economic Co-operation and Development meeting on shipbuilding which is to be held next Tuesday must go ahead.

The talks are regarded as almost the last opportunity for Japan to avert EEC moves to a larger slice of world shipbuilding orders for its members.

With Japan having taken around 80 per cent of all orders to 1976, the EEC has drawn up a list of possible measures to be adopted and has called a meeting in Brussels on January 17 of senior officials from member countries to discuss its proposals.

Among items to be discussed at the talks, at which the U.K. Department of Industry will be represented by its Permanent Secretary, Sir Peter Carey, are selective shipyard subsidies and extended credits for shipowners.

in New York

	Jan. 4	Previous
4 month	\$1,708.7115	\$1,693.2000
1 month	1.63.62 1/2	1.63.17 1/2
3 month	1.64.25 1/2	1.63.17 1/2
12 month	1.65.15.25 1/2	1.64.13.50

North Sea oil could exceed \$14 a barrel this year

BY RAY DAFTER, ENERGY CORRESPONDENT

THE PRICE of North Sea oil could reach more than \$14 a barrel this year, according to U.K. and Norwegian production as one of the most sought-after and expensive crudes in the world.

Oil companies and the Government are trying to calculate the true market value of North Sea oil in the light of the confusing split-pricing decisions of the Organisation of Petroleum Exporting Countries.

It may be several months before a worldwide pricing structure emerges. Much will depend on whether the 11 OPEC members which voted for a rise of 10 per cent, can implement this increase in the face of market forces and the rise of 5 per cent adopted by Saudi Arabia and the United Arab Emirates.

could take spot North Sea prices above \$14 a barrel, compared with a basic \$12.70 a barrel for crude produced in countries insisting on an increase of 10 per cent, and a base of \$12.05 a barrel for Saudi Arabian and UAE crude.

North Sea oil carries a sizeable premium because of its proximity to major markets in Europe and the U.S. and its quality. Although the quality of the crudes differ from field to field (from well to well in some cases), British oil does have an attractive low sulphur content.

The only prices that have been made public so far relate to export contracts. Most of North Sea crude, at present more than 80 per cent of U.K. output, is used domestically in British refineries.

Here, the pricing situation is extremely hazy, so much so that the Inland Revenue has still to agree with oil producers on market prices for much of the oil landed in the past year.

Theoretically the value of North Sea oil can be calculated from the price of crudes that it replaces in a refinery mix—Nigerian, Libyan and Algerian oil, for example.

Oil companies point out, however, that there are other factors that have to be considered; the impact of world demand for competing low-sulphur crude and the risks involved in using oil from recently developed North Sea fields, for example.

World Trade, Page 6; Amoco threat, Page 8

Calculations

Initial calculations by a number of U.K. oil companies suggest that North Sea crude prices might rise by 7 or 8 per cent, partly on the basis that the type of oil produced in British waters is akin to that produced in some of the African states where a 10 per cent rise is being sought.

Industry reports show that spot price of export crude from the North Sea—mainly from British Petroleum's Forth Field and the Norwegian Ekofisk field—were generally being sold for about \$12.75 to \$13.00 a barrel last year. During the later months the price went as high as \$13.50 in expectation of a big OPEC increase.

An increase of 8 per cent.

FT Monthly Survey of Business Opinion

Export industries more confident

A SHARP DECLINE in optimism about prospects both for the economy as a whole and for individual companies has occurred during the last month according to the latest Financial Times survey of business opinion.

The decline is reflected in a smaller number of companies reporting a rising trend of new orders, and a much lower projected rise in production over the next 12 months. The only bright spot remains exports, where industry is more confident than it was last year.

The survey covered non-electrical engineering, brewing and distilling, and the paper and confectionery industries.

The interviews were all carried out before the main Budget on December 15 and the publication then of the letter of application to the International Monetary Fund.

However, almost all the companies interviewed were reinterviewed afterwards by telephone. The general impression was that the Budget statement had been along the expected lines and few answers, therefore, needed revision.

The overall decline in confidence is highlighted by the fact that three-fifths are less optimistic than they were four months ago.

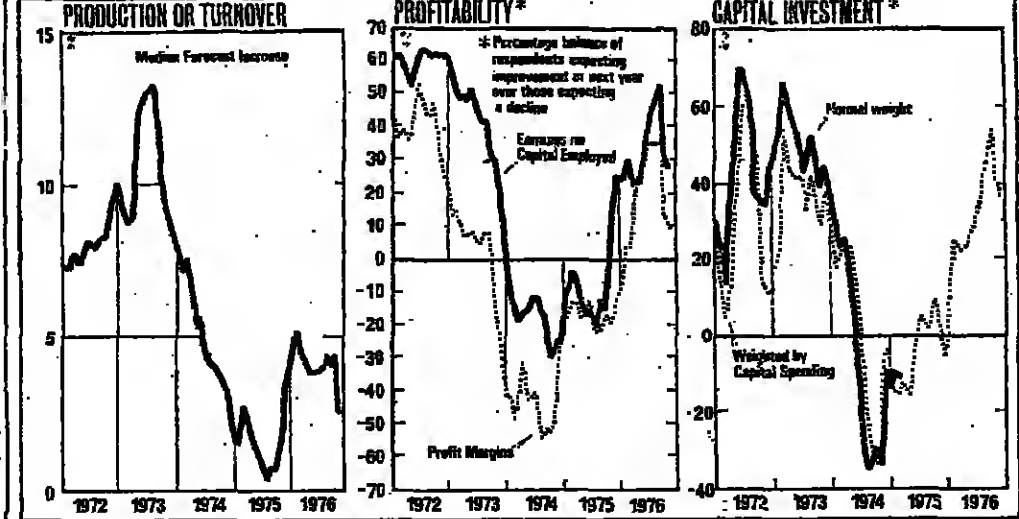
The greater caution about specific business prospects shows up both in the net balance of companies expecting a fall in their labour force in the next 12 months, and in the fact that all three sectors are less inclined to say that they would increase their capital spending, rather than cut it, over the next 12 months than in previous surveys.

Industry is also taking a more pessimistic view of inflation prospects during the next 12 months, although there has been little change in expectations about wage increases.

All three sectors in the survey are expecting price increases over the next 12 months above the 13 per cent rise forecast recently by the Treasury for the 12 months to the fourth quarter of this year.

The engineering sector is projecting an increase of 17.7 per cent, but the four-month moving all industry total still indicates a median rise of slightly more than 13 per cent for the period.

Details, Page 14



CBI proposals link pay to productivity

BY ADRIAN HAMILTON

THE CONFEDERATION of British Industry will put its proposals for a further year of wage restraint to the Government in the next two weeks.

After discussions with its membership throughout the regions, the CBI leadership has decided to urge a three-part Phase III under which a minimal basic increase would be allowed together with an added percentage for productivity deals, plus tax incentives to restore differentials.

It has yet to put firm figures to its proposals, although it feels that the limits must be right if inflation is to be controlled.

According to Lord Watkinson, CBI president, the basic wage reform would largely be a question of negotiation between the TUC and Government—although industry would prefer the increase to be as small as possible.

Employers are concerned that the next phase should contain greater flexibility for productivity deals. Lord Watkinson said yesterday that these should be within a set limit of perhaps 5 or 6 per cent and should be structured to prevent their becoming a loophole for additional wage rises.

A third essential of the package should be lower taxation on the higher-paid as well as higher thresholds for the lower-paid.

The Confederation will detail its full tax proposals in its Budget representations next month when it is expected to urge an adjustment of tax bands as the immediate priority in a longer-term objective of reducing the top rate of tax to 60 per cent at most.

Its decision to prepare detailed ideas on wage restraint early in the negotiations reflects its determination to play a more forceful role on this occasion.

Interview, Page 8



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سكذمان الاجل

EUROPEAN NEWS

U.K. may be economic summit venue

BY OUR OWN CORRESPONDENT

THE PROPOSED Western economic summit meeting will probably be held in Britain in June this year, President Giscard d'Estaing of France said today.

Speaking informally to journalists at a New Year's reception, the French President said that this meeting would be held in Britain, the U.S. President-elect, his first opportunity to make contact with European leaders after taking office.

The summit meeting, which has been proposed both by M. Giscard d'Estaing and by the Japanese Government, will be the first of its kind within the past two years. The first was held at Rambouillet Castle near Paris in November 1975, followed by another top-level gathering of western leaders in Puerto Rico in July last year.

On each of these occasions, the Heads of Government of the U.S., Japan, Canada, West Germany, France, Britain and Italy have tried to map out a co-ordinated strategy to deal with the industrialised world's most pressing economic problems.

At their next meeting, the Western leaders will have to decide what policies should be adopted by their respective governments to prevent the expected slow-down in their countries' economic recovery from turning into a recession.

Through the OECD has forecast a moderate growth of 4 per cent for the area as a whole in 1977 and a fairly strong expansion of the U.S., West Germany and Japanese economies in the first half will be slower.

At the same time, however, the international organisations has stressed that the differences in the economic performances of the main industrialised countries require what it calls a "desynchronisation" of economic policies.

While the weaker countries with a high rate of inflation and large payments deficits, such as the U.K., Italy and France, should continue to apply restrictive policies until their economic situations have improved, the stronger countries such as the U.S., West Germany and Japan should opt for expansionary measures.

In this context, the Heads of Government will certainly make a first assessment of the effects of the recent OPEC devaluation on oil prices and try to co-ordinate their policies for dealing with any new increase in oil prices.

Andreotti to seek voluntary pay code

By Dominic J. Coyle

ROME, Jan. 4. ITALY'S Prime Minister, Sig. Giulio Andreotti, is scheduled to meet top trade union leaders here tomorrow in an attempt to work out a voluntary incomes policy and a code of conduct for the present minority Christian Democratic Government.

Sig. Andreotti's administration is, in effect, now maintained in office by the tacit backing of the opposition Christian Party (P.C.I.). The Communists may be forced over the next few weeks to decide whether to continue supporting the Andreotti Government in statutory measures to contain income increases, and help reduce sharply rising industrial costs, or else risk a new general election.

This presupposes that tomorrow's meeting between Sig. Andreotti and the leaders of the three trade union confederations does not lead to a voluntary agreement and the preliminary indications are not encouraging.

For example, the unions have already made it clear publicly that they will not tolerate any basic changes in the present highly inflationary pattern of quarterly threshold payments.

If no agreement emerges from tomorrow's meeting, the Prime Minister may well decide later this month to call for an all-party conference to deal specifically with incomes policy.

This matter is now of pressing concern not just to the Andreotti Government, but also to the International Monetary Fund, from which Italy is hoping to get further standby credits, and to Italy's other creditors.

The Communists have made it clear they are not ready to limit to the general question of incomes policy. The political strategy of the P.C.I. is to secure, albeit indirectly, a voice in the formulation of a policy as a prelude to realisation of the party's long-sought "historic compromise," or grand alliance in government of all the major political parties.

President Andreotti, however, cannot concede such an open-ended all-party dialogue, since to do so would risk a major revolt among the long-running Christian Democrats. Many right-wing members of the party already believe that Sig. Andreotti is selling much too close to the Communist wind in accepting P.C.I. parliamentary support, admitted through a policy of abstention, in order to remain in office.

Thus, the Government must somehow manage to win Communist (and Socialist) Party backing for some form of statutory measures in support of an incomes policy, without appearing to afford the P.C.I. a direct role in the Government process.

Spain to make overture towards Arab countries

BY ROGER MATTHEWS

MADRID, Jan. 4.

THE SPANISH Government is planning major foreign policy initiatives directed towards the Arab world and is drawing up a new detailed economic strategy for the first half of the New Year, apparently confident that its programme for domestic political reform is now solidly established.

A summit meeting of illegal opposition parties was tonight expected to remove one of the last stumbling blocks to formal negotiations with the Government on the question of democratic guarantees for the general elections scheduled before next summer.

Mr. Santiago Carrillo, secretary-general of the Community Party took his place at the meeting for the first time. He was released on half three days ago having been arrested in Madrid before Christmas following his illegal return from exile.

As a result of his release, together with other members of the central committee, Sr. Carrillo will no longer demand to exist between Spain and the Arab world.

Spain has been particularly seriously hit by the successive rises in the price of oil but has failed to offset the effect on its balance of payments with any compensating trade deals. Economists outside the Government have for three years been urging new attitudes towards the oil-producing nations, advice that has become steadily more pertinent as Spain enters what will be an extremely difficult year economically.

The tougher economic measures to come have already been heralded this week with the removal of the official subsidy on coffee which has had the effect of almost doubling prices.

Newspapers have also sharply increased in price and the Cabinet is understood to be studying other measures to limit what it considers to be non-essential imports.

The parallel diplomatic offensive will be spearheaded by King Juan Carlos, Sr. Suarez and Sr. Marcelino Oreja, the Foreign Minister, who, before the end of this month, will begin a series of visits to Arab and other countries. The aim will be to achieve some economic benefit from the traditional "special ties" which is supposed to exist between Spain and the Arab world.

At the same time, the opposition parties are planning to reduce the original list of nine Government requests and to facilitate the shift in policy by the Communists. Talks between the two sides should, therefore, get under way next week after the repeated delays of the past months.

Major boost likely for French steel

BY ROBERT MAUTHNER

PARIS, January 4.

PRESIDENT GISCARD d'Estaing of France said today that he expected the Government to inject some Frs.2bn. (about £230m.) into the country's ailing steel industry, which is currently suffering from severe financial and over-employment problems.

The President, who was speaking informally with journalists at a New Year's reception, said that a final decision in the Government's rescue plan for the steel industry would be announced next month.

A large proportion of the aid is expected to be allocated to financing the early retirement and re-employment of about 14,000 steelworkers over the next three years in the Lorraine region alone, while the balance will be used for restructuring the industry.

The Government, however, will attach certain important conditions to its aid. Having already granted some Frs.7bn. in the form of loans to the steel industry, it is understandably reluctant to pour any more money into this seemingly bottomless pit without some opposition from the steel companies, who fear that the shareholding structure will give the workers a majority stake in their capital. But officials have made clear that the Government is sticking to its guns and will insist on substantial concessions from the employers in return for the massive financial aid it is proposing to give.

Negotiations on the rescue plan are still in their early stages and details, apart from the global aid to be given by the Government, have not been made public. But it is generally presumed that the plan will involve the phasing out of some of the less efficient steel works and the concentration of production in the more modern plants in the Lorraine region and the coastal strip around Dunkirk.

In this way, the Government would be killing two birds with one stone. It would provide the industry with urgently needed funds while at the same time fulfilling its social reform promises.

The Government's proposals have already provoked strong opposition from the steel companies, who fear that the shareholding structure will give the workers a majority stake in their capital. But officials have made clear that the Government is sticking to its guns and will insist on substantial concessions from the employers in return for the massive financial aid it is proposing to give.

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Lisbon Cabinet reshuffle likely

BY OUR OWN CORRESPONDENT

LISBON, Jan. 4.

A RESHUFFLE of the heavily overworked Portuguese Cabinet is now inevitable following tonight's dramatic resignation by the Minister of Industry and Technology, Sr. Walter Rosa, because of a "grave family tragedy".

Sr. Rosa's portfolio in the minority Socialist Cabinet will be taken on temporarily by the Minister of Planning and Economic Co-ordination, Sr. Antonio Sousa Gomes, who must now spread his energies over the complex portfolios of Trade, Tourism and Agriculture — in the wake of the resignation of Sr. Antonio Lopes Cardoso as Minister of Agriculture in November.

Industry and Agricultural production are to a state of flux. Portugal must import 52 per cent of its food (at a cost of \$666m. up to October 1976). The country is running out of foreign reserves. The balance of payments deficit stands at \$1.9bn. The total foreign debt, including state and private loans and purchase credits, totals \$3bn.

The official value of Portugal's only solid asset, its gold reserves, amounts to \$3.5bn., of which 30 per cent is held as collateral for foreign loans.

The Government has been given a breathing space by the confirmation of an emergency \$300m. loan from the U.S. Treasury exchange stabilisation fund, and the extension for a further six months of a \$250m. loan from West Germany.

The U.S. has expressed willingness to take a 30 per cent share in a long-term \$1.5bn. consortium loan to be administered by the IMF.

According to President Eanes, however, Portugal cannot continue indefinitely to seek loans. In his New Year's address to the nation, he said that Portugal must progressively reduce our dependence on the outside world and find our own means of financing. If we do not overcome the crisis which we have entered, the crisis will overcome us.

Meanwhile, official figures published this afternoon reveal that Portugal's trade balance deficit for the first ten months of 1976 stood at nearly Escudo 50bn. (Ebn.). Imports for January-October 1976 totalled Escudo 63bn. (Ebn.), exports Escudo 43.9bn. (Ebn.).

The EEC accounted for the majority of the country's imports and exports (42.4 per cent of the former, 51.4 per cent of the latter). The EFTA countries bought 16.3 per cent of Portugal's exports and provided it with 10 per cent of the country's imports.

Portugal's best single customer is still Britain, which provides 18.3 per cent of exports. As far as trade with the U.S. is concerned, Portugal's exports there only account for 3.2 per cent of imports from its American benefactors.

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Polish officials accused

WARSAW, Jan. 4.

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Earlier this week the committee said that the Radom Court had suspended 150 sentences passed on five workers convicted after the riots.

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Shorter hours plan to cut German jobless

BY NICHOLAS COLCHESTER

BONN, Jan. 4.

THE THORNY question of whether West German unemployment could be reduced by shortening working hours has been exercising the unions, industry and Government this week. So far, most voices have been against the idea, but the fact that the discussion is taking place at all suggests mounting scepticism that future growth can provide the answer to the West German unemployment problem.

The matter was raised last Sunday by Herr Heinz-Oskar Vetter, chairman of the West German Trades Union Congress. He suggested that shortening working hours was the employee's "last resort" against unemployment, and suggested that it might have to be accompanied by a partial drop in effective pay.

Like Herr Vetter's question- ing last week of the effectiveness of West Germany's "social market economy," it has until very recently been heresy to talk of a reduction in working hours, coupled with a fall in effective pay, in growth orientated West Germany. His suggestion that the unions "must force the economy to face up to the question of the way in which jobs are shaped and presented" has therefore met a largely negative response in other unions and in management.

The West German Employers Federation continues to insist that low wage settlements, leading to more capital investment and growth, are the most important means towards restored full employment. In Metall, the powerful metal workers' union, has rejected Herr Vetter's thoughts. It said that shorter working hours without main- tained effective pay would lead to a "socially unacceptable redistribution of profit in favour of the employers."

It revealed that another year of wage moderation to restore full employment in West Germany.

Herr Vetter has this week repeated his feeling that unemployment is proof of "capitalistic traits" in the economy. He has explained that this year's expected growth of around 4.5 per cent will not be enough to prevent a further deterioration in unemployment statistics, let alone bring about an improvement. His quest for an answer to this problem has taken him off the tramlines of normal West German economic discussion. It promises a more heated exchange of views when unions, management, Bundesbank and Government meet on January 11 for their first conference on economic management in 1977.

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Record Swiss reserves

By John Wick

ZURICH, Jan. 4.

AT THE END of 1976, the foreign reserves of the Swiss National Bank reached a record level of Sw.Frs.20,422bn., as compared with Sw.Frs.14,7bn. a year earlier. Gold holdings were almost unchanged at Sw.Frs.11,9bn. (Sw.Frs.11,9bn.). Reserves were considerably higher than end-of-year banknote circulation of Sw.Frs.18,73bn. (1975: Sw.Frs.18,12bn.).

The foreign-exchange positions were large as of December 31, due partly to substantial national bank swap facilities. These included end-of-year swaps of up to one month totalling Sw.Frs.6.3bn. and two- and three-month swaps amounting to Sw.Frs.1.37bn.

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Greek interest rates

The Bank of Greece rediscount rate has been raised to 11 per cent. It was last raised from 8 to 10 per cent in October 1976.

Interest rates on bank credits were also raised by half a percentage point. Credits to industry for working capital thus carry an interest rate of 13 per cent.

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Advertisement for Bankers Trust Company, New York, featuring a large image of a building and text describing the company's services and branches.

The plight of Ireland's tinkers has been drastically worsened by economic development. Giles Merritt reports.

The open road leading to nowhere

AN ITEM in an evening paper shortly before Christmas may well have surprised strangers to Ireland: "Two barefooted youths surprised a woman selling newspapers in a Dublin suburb this morning and snatched her takings of 25c."

Extreme poverty is rare in Britain nowadays, but for the crowds of prosperous Dubliners thronging the city's shopping streets in the pre-Christmas rush, the plight of women and children begging was a constant reminder that Ireland's "tinker" problem is far from solved.

Summer tourists are constantly struck at the sight of the sprawling roadside encampments of caravans and makeshift tents that house the republic's itinerant population. Their occupants are the "travelling people" the outcasts of Irish society whose plight, the result of centuries of history, has only been worsened by recent decades of progress.

AMERICAN NEWS

Ford proposes \$12.5bn. package to cut taxes

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Jan. 4.

PRESIDENT FORD today again recommended to Congress a \$12.5bn. tax cut package. This is the long-promised product of a tax-cutting package which the President is unlikely to pay any attention to it, preferring to wait for Mr. Jimmy Carter's plans to stimulate the economy. Nevertheless, Mr. Ford's proposals, though broadly similar to those rejected by the last session of Congress, are instructive in that some of them could form part of whatever Mr. Carter comes up with. The President elect has said he will unveil at least the broad outlines of his plan sometime this week. Of the \$12.5bn. package, \$10bn. represents a permanent cut in personal income-tax rates. Its principal feature is the raising of the 15 per cent. tax rate on income over \$7,500 to \$10,000 of the personal income-tax exemption. The effect of this, plus a variety of other smaller measures, would, according to Mr. Ford, help middle-income Americans as well as the poorest. The \$2.5bn. corporate tax savings would result from a permanent cut in the maximum corporate tax rate from 48 to 46 per cent., a permanent extension to 10 per cent. of investment tax credit (which reverts to 7 per cent. in 1980), accelerated depreciation...

great substance in the month that the constitution permits changes. Nevertheless, aspects of Mr. Ford's tax package today could crop up in whatever Mr. Carter advocates. Some form of personal income-tax action is probable (though it could take the shape of a rebate on last year's taxes rather than a permanent rate cut) while measures such as these affecting the investment tax credit and accelerated depreciation could equally come into play. Mr. Ford did include in his message to-day a parting philosophical swipe at Democrats in general. "In the long run, inflation and real economic growth constantly push taxpayers into higher and higher tax brackets if the tax system remains unchanged. Some believe that these additional tax receipts should be spent on new federal programmes. I do not. Instead, I believe that the Congress should periodically counteract the growing burden imposed by the tax system by providing offsetting tax cuts while continuing to restrain the rate of growth of federal spending." This, it would appear, is a firm clue that the Ford budget will be tight.

Fraser likely to head UAW

BY JAY PALMER

NEW YORK, Jan. 4.

IN A MOVE clearly aimed at ending growing speculation about the possibility of a potentially damaging power struggle for leadership of the United Auto Workers (UAW) union, key executives of the union have publicly endorsed Douglas Fraser for president. Although such endorsements must be followed by a series of complicated election steps, it now seems virtually certain that Mr. Fraser will ultimately be named to succeed the union's current president, Leonard Woodcock, when he retires this spring. Mr. Fraser, who is currently one of the senior vice-presidents of the UAW, was the only formally announced candidate for the job. However, it was widely reported that three other vice-presidents had seriously considered running and had actively canvassed support within the union. Late yesterday evening Mr. Woodcock issued a statement dis-

As president, Mr. Fraser will be faced with several serious problems for the UAW. He will have to deal with the growing split between skilled and unskilled workers within the union, the relative scarcity of middle line executives and the problem of whether or not the union heals its split with the AFL-CIO, the U.S. equivalent of the TUC. The three major U.S. car manufacturers produced 28 per cent more cars in 1976 than in 1975, according to figures released by the companies to-day. Reuter reports from Detroit: Total car production by General Motors Corporation, Ford Motor Company and Chrysler Corporation in 1976 was 8,524,568, up from 6,651,293 in recession-ridden 1975. Chrysler recorded the largest percentage increase, 35.6, and Ford the smallest, 13.6 per cent. Ford suffered a month-long strike in September. General Motors registered a 32.9 per cent gain.

Brazilian inflation now 46%

Brazil's inflation rate in 1976 rose to around 46 per cent. from 29.4 per cent. in 1975, Finance Minister Mario Henrique Simonsen has said in an interview with the Jornal do Brasil newspaper. Reuter reports from Rio de Janeiro. Central Bank of Brazil figures show that this is the highest annual rate since 1966, the earliest year for which it currently publishes inflation figures. Mr. Simonsen estimated that the cost of living index for Rio de Janeiro, which is used as an indicator for all Brazil, rose by 44.5 per cent. during 1976 against 31.2 per cent. in 1975.

Chile exits from Pact

BY ROBERT LINDLEY

BUENOS AIRES, Jan. 4.

CHILE has now made official its withdrawal from the Andean Pact formed in July 1969, which bound it together in a common market with Bolivia, Colombia, Ecuador, Peru and Venezuela. The reason for Chile's withdrawal is the Pinochet regime's objection to the so-called Decision 24 which the other pact countries are negotiating the entry of foreign capital and fixing common external tariffs. The military junta is trying to attract foreign capital and also considers Decision 24 an obstacle to Chile's development because of the high fixed common tariff. There has been much opposition among Chile's manufacturers to the junta's pre-announced decision to withdraw from the pact. As Hugo Grisanti, general manager of Coreca, which exports compressor motors, said: "For us, this is a very hard blow. We sell less than 25 per cent. of our production in Chile." The rest of the other five Andean countries without tariffs. Now a 70 per cent. tariff will be levied on these motor exports into the market countries, and this—according to Sr. Grisanti—puts Coreca out of competition with Japanese, American, French and other Brazilian exporters of compressor motors.

Panama wage restraint

THE GOVERNMENT of Panama has announced a package of economic measures, including wage restrictions, apparently intended to restore business confidence in the economy, which is in a recession. The Government yesterday imposed a 5 per cent. sales tax on most goods except food and medicine, cut income-tax for the lower paid and promised to reduce Government spending. It will also start a \$300m. investment programme this year to create jobs. New labour legislation freezes existing contracts between employers and unions for two years, while annual wage increases are to be pegged at last year's rates and no new concessions are to be allowed on hours or conditions. The law also makes it easier for employers to dismiss staff and the Government will be able to enforce compulsory arbitration to avoid strikes. Union leaders strongly criticised the package but business leaders welcomed the changes to the labour code, which has been a source of bitter controversy since it was passed in 1972. Last September economic difficulties sparked off the first serious rioting here in more than a decade when the Government increased the prices of some basic foods. Reuter

Manley names Cabinet

KINGSTON, Jan. 4.

Mr. Manley has set up two new ministries—Parliamentary Affairs and a National Mobilisation Ministry which is meant to raise productivity. Dr. D. K. Duncan, Secretary of the PNP, is the Mobilisation Minister. Former Labour Minister Mr. Sydney Pagon was dropped from the Cabinet and the former Mayor of Kingston, Mr. Ralph Brown, was appointed Minister for Local Government in place of Mrs. Rose Leon, who lost her parliamentary seat in the election. The new Cabinet is: Minister of Defence—Michael Manley; Finance and Planning—David Coore; Foreign Affairs, Foreign Trade and Tourism—Herbert Patterson; Housing—Anthony Spaulding; Education—Eric Bell; Public Utilities and Transport—Horace Clarke; Mining and Natural Resources—Dudley Thompson; Local Government—Ralph Brown; Youth Development and Sport—Hugh Small; Labour—William Isaacs; Health—Douglas Manley; Agriculture—A. L. Buchanan; Social Security—Winston Jones; National Mobilisation—D. K. Duncan; Workers—Ernest Pearl; Justice and Constitutional Reform—Carl Rottray; National Security—Kebble Munn; Public Service—Howard Croke; Parliamentary Affairs—Kenneth McNeill; Industry and Commerce—Vivian Blake. Reuter

Mexican visit

Mexican President José López Portillo has accepted an invitation to become the first foreign head of state to visit Mr. Carter after his inauguration. According to Mexican embassy officials quoted in the Boston Herald, UPI reports from Boston. The visit could take place less than a month after Carter is sworn in, they said.

Nixon invited

Former President Richard Nixon has been invited to attend Mr. Jimmy Carter's inauguration, but has not said whether he will attend. Jurek Martin writes from Washington. According to protocol, former Presidents and first ladies are automatically invited to the ceremony.

Peronists accused

An Argentinian federal judge is investigating charges against former Peronist cabinet ministers José López Rega and José Bor Guebará, who are accused of organising the extreme right-wing Triple A death squad. UPI reports from Buenos Aires.

Argentine kidnap

There has been no progress towards finding the internationally known educational philosopher and evangelist Professor Maurício López kidnapped on Saturday from his home in the Andean city of Mendoza. Robert Lindley reports from Buenos Aires.

Smaller Venezuela budget carried

BY JOSEPH MANN

CARRACAS, Jan. 4.

THE VENEZUELAN Congress has approved a \$8.46bn. federal budget for 1977. Despite resistance from the COPEI main opposition party, the ruling Acción Democrática Party carried through the 1977 spending programme. In 1976, the Venezuelan Government spent \$8.46bn., according to preliminary estimates released by the Central Bank. As usual, the year-end spending total considerably surpassed the original budget estimates. Although the Government had approved a \$7.71bn. budget for 1976, spending by several agencies heavily exceeded budgetary allotments. But increased revenues from petroleum exports allowed the Government to end the year with a healthy surplus. Since OPEC raised crude oil prices in 1973, Venezuela—the second largest petroleum exporter in Latin America, has seen its official spending soar for 1973, the government reported an outlay of \$4.04bn. This jumped to \$10.11bn. in 1974, and \$8.5bn. in 1975.

Carter will hand over interests to trust

By Jurek Martin

WASHINGTON, Jan. 4. MR. JIMMY CARTER's agricultural interests will be placed in the hands of a trust while he is President, and he will sell all his relatively modest holding of common stock, he announced to-day. Members of his Government, the President-elect also said, would likewise have to divest themselves of financial holdings which might raise conflicts of interest, must fully disclose all forms of external income, and, in a departure from past American practice, must promise not to take any job when they leave Government related to the areas over which they have held jurisdiction for two years. All Mr. Carter's interests in Carter Warehouse and Carter Farms (the peanut concerns managed by his brother, Billy), his father's estate, and all property except his home, will be transferred to a trust. Income or principal will be paid to Mr. Carter only in cash. He will have no control over the trust; his reports to him will contain no more than the minimum tax information required by law. Mr. Carter is not a poor man; his assets have been declared at close to \$1m., while his income last year from the peanut operations amounted to about \$120,000. As President he will be paid \$200,000 a year, plus a \$50,000 entertainment allowance. He is not charged rent for the White House.

New York publishing house takeover bid

Murdoch into battle again

BY STEWART FLEMING

ONLY A week after taking control of New York's only afternoon newspaper, the New York Post, Mr. Rupert Murdoch, the Australian publisher, is embroiled in a fierce struggle for control of another U.S. publishing house: the New York Magazine Company. The company, which is quoted on the New York stock exchange, publishes two glossy magazines—New York, with a circulation of some 375,000, and New West in California, which has a circulation of some 300,000. It also owns the weekly New York newspaper Village Voice with a circulation of around 165,000. Since Mr. Murdoch announced the week-end agreement of a number of New York Magazine shareholders to sell him over 30 per cent. of the company's stock, lawsuits have been filed to try to block the proposed \$15m. takeover, the staff of the magazine have threatened to strike in opposition to the Murdoch bid and warning noises are being made about the sudden emergence of Mr. Murdoch as a powerful force in the city's affairs. In the eyes of some observers, Mr. Murdoch has in the past few weeks since buying the Post, come from nowhere to the point at which, with the purchase of New York Magazine, he would justifiably claim to be the second most powerful publisher in the city after the New York Times.

company and editor of the magazine, and other directors and shareholders. A crucial element in the split was the decision of one major shareholder, Mr. Carter Burden, a New York City Councilman, to that Mr. Felker mentioned the company's difficulties himself to Mr. Murdoch, perhaps not expecting Mr. Murdoch with whom he is friendly to intervene. When he did however, Mr. Felker approached another close friend in the publishing world, Mrs. Katharine Graham, the powerful publisher of one of the country's most influential news groups, the Washington Post in an effort to persuade her to buy New York Magazine. Associates suggest that such a deal would have left Mr. Felker with his editorial position intact.



Rupert Murdoch

At one level the fight for control of New York Magazine is a simple power struggle. In the first six months of last year the company went into the red with a loss of 13 cents on each of its 1.5m. shares compared with a profit of 9 cents in the first six months of 1975. The loss came in spite of a sharp increase in revenues, up from \$6m. to \$11m. over the two trading periods. But the increase in sales reflects in part the opening of the new, west coast version of New York Magazine, called Far West, which cost the company some \$4m. in start-up costs. Although circulation of Far West is twice its former level, it is being sold at discount rates and there are some doubts about how it can be made profitable. The dispute about the future of Far West is what seems to have been the main reason for Mr. Felker's bid. Mr. Felker had filed suit and obtained a temporary injunction preventing the sale going through. Ironically there are suggestions

FEDERATIVE REPUBLIC OF BRAZIL U.S. \$ 75,000,000 9 1/4 % U.S. Dollar Bearer Bonds of 1977/1984. Includes logos of Deutsche Bank, Merrill Lynch International & Co., and various international banks.

OVERSEAS NEWS

Rabin embarks on attempt to form new government

IN THE WAKE of the suicide yesterday of the Minister of Housing, Mr. Abraham Ofer, Israeli President Ephraim Katsir...

First fall in Japan's reserves for a year

TOKYO, Jan. 4. JAPAN'S foreign exchange reserves fell in December for the first time in 12 months...

EEC makes concessions at Geneva negotiations

THE FIRST concrete results of the "Tokyo Round" multilateral trade negotiations...

Major offshore deal with Russia likely

THE British offshore oil industry that negotiations concerned British help in the exploitation of oil fields in Russia's Caspian Sea...

Morgan Grenfell in £150m. financing

MORGAN GRENFELL, acting on behalf of the London and Scottish clearing banks...

Phalangist bomb revenge threat

LEBANON'S Right-wing Phalangist Party has threatened retaliation following the bomb explosion in Asbrafiya last night...

Herbert in Mexican venture

ALFRED HERBERT, the National Enterprise Board subsidiary, is to play a major part in the expansion planned for Mexico's machine tool industry...

Seaboard cuts rates

SEABOARD Airline's frivolous objections on the part of the U.S. to the proposals...

Vote promised for Philippine Moslem rebels

MANILA, Jan. 4. PRESIDENT Ferdinand Marcos said today that a plebiscite would be held in 13 southern Philippine provinces...

Syria-Iraq pipeline row

THE SYRIAN Government has reacted with anger to the announcement on Baghdad Radio that the 625-mile oil pipeline from Iraq's northern fields to Doryl on the Turkish Mediterranean coast is now open for use...

India offers growth aid

INDIA today offered to help other developing countries in their industrialisation programmes on the basis of her achievements in technical manpower development...

Singapore arrest of journalist

SINGAPORE, Jan. 4. HO KWON PING, Singapore correspondent of the Far Eastern Economic Review, the Hong Kong-based weekly, was arrested this morning and later released on bail...

Unrest in China seems under control

THE LEADERSHIP in Peking appears to have the situation in China well under control and to be looking forward relatively confidently to implementing pragmatic economic policies in the coming year...

Clothing sales abroad rise

Britain's clothing and knitwear exports in the first 11 months of this year provisionally totalled £372m...

No dumping

The Department of Trade has completed its investigation into the allegation that white glass single vision lenses for spectacles originating in Brazil were being imported at prices which constituted dumping...

World Economic Indicators

Table with columns for Country, Industrial Production 1970=100, and % change on year. Rows include U.K., Japan, Germany, U.S.A., Italy, Holland, France, Belgium.

AUSTRO-BRITISH TRADE

SOME SIX years ago Britain moved to third position among Austria's major suppliers, surpassing neighbouring Italy...

Container service to Beirut to be resumed

A MARK of confidence in the effectiveness of the cease-fire in the Lebanon has been given by the British shipping company Manchester Liners...

Flour mill order

Bahados Mills has placed a £500,000 contract with Henry Simon of Stockport, a Simon Food Engineering company...

Polish loan

The U.S. Export-Import Bank's preliminary commitment to provide a \$163m. loan for a truck factory project in Poland has expired...

TV measures

The Canadian Government yesterday announced measures to assist Canada's troubled television manufacturing industry...

New ferry

The Dutch Zealand Steamship Company, which runs the Hoek of Holland car ferries link joining with British Rail, has ordered a new passenger-car ferry...

Aeroflot in Cyprus

The Soviet airline Aeroflot is using Cyprus as a staging point for increased flights to Africa and Asia...

Saudi oil plant

Chiyoda Chemical Engineering and Construction and Mitsubishi have jointly reached a basic agreement with Saudi Arabia's Petroleum to supply oil-refining plant worth \$2.9 billion...

Old grievances remain

MANAGED to sell here last year twice as much as Britain, France has also consolidated its position after overtaking Britain for the first time ever in 1975...

BotB fairs

In the three months January to March 1977, over 860 British companies, supported by the British Overseas Trade Board, will be taking part in 101 overseas trade fairs...

TV measures

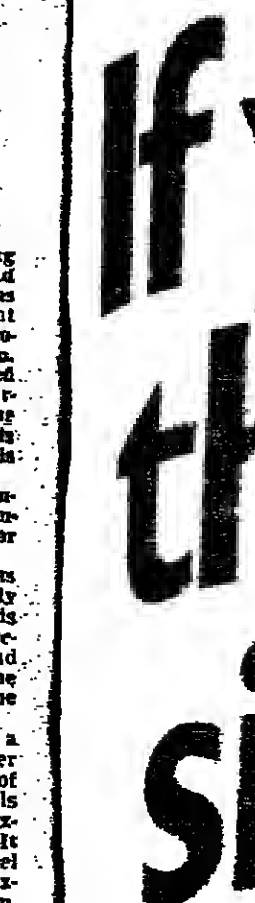
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New ferry

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Aeroflot in Cyprus

The Soviet airline Aeroflot is using Cyprus as a staging point for increased flights to Africa and Asia...



JP 1000 1150

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Please send me a brochure about the New Gas Era and increased Gas supply available for industrial and commercial use. Also ask the Technical Sales Staff of my Gas Region to get in touch.


Name _____

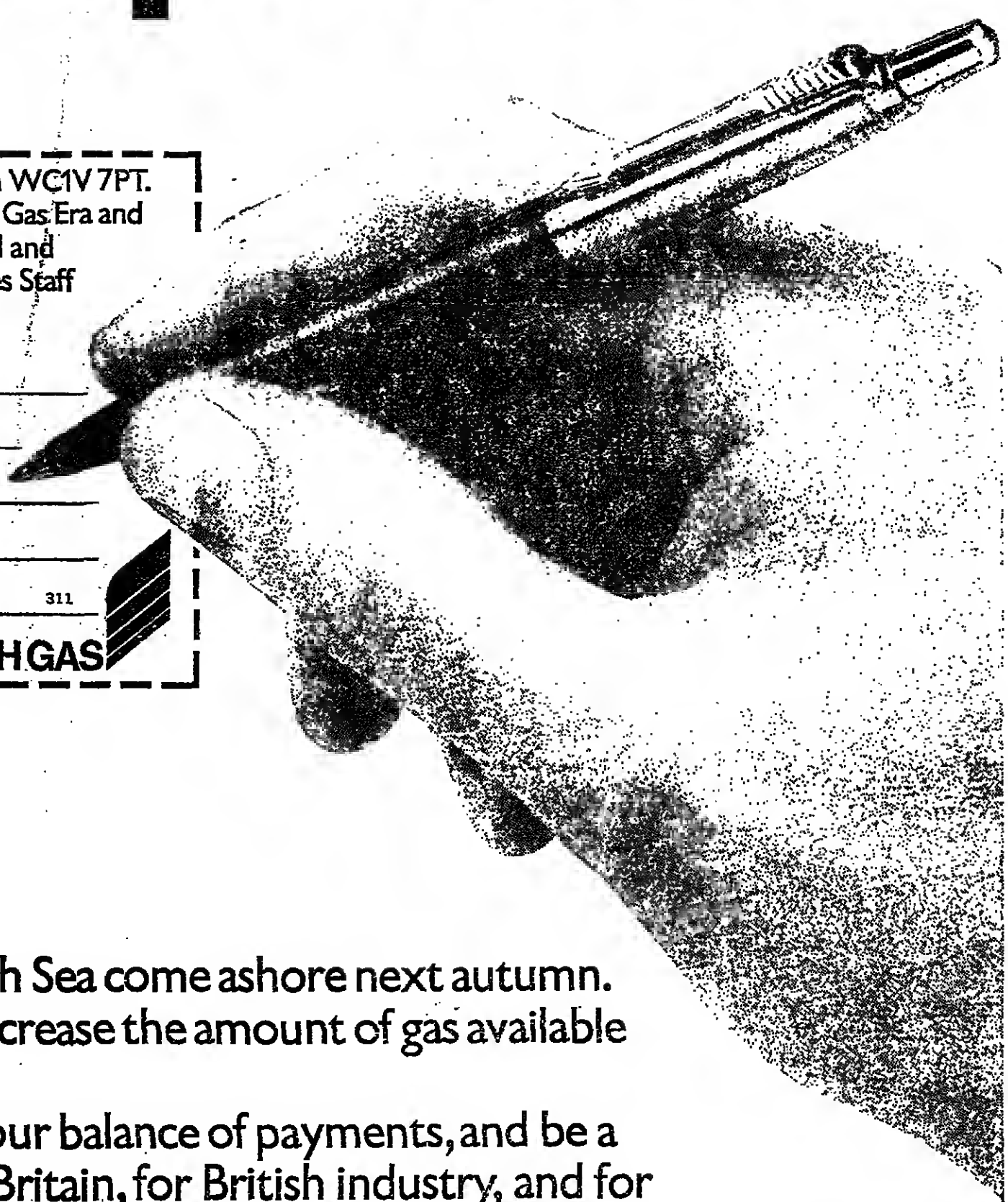
Company _____

Position in company _____

Address _____

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Big new gas supplies from the North Sea come ashore next autumn. When fully operational they will increase the amount of gas available by nearly 40%.

This will give a great new boost to our balance of payments, and be a valuable new asset for years to come, for Britain, for British industry, and for your company.

Some companies couldn't get as much gas as they needed before. They missed the convenience, economy, and cleanness of gas, and the opportunity it provides for increasing productivity and plant efficiency. That's why so many companies are putting their names down now, for when the new supplies come ashore.

Now's the time to start planning. Don't wait until everyone else has signed up. Send in the coupon above.

The Technical Sales Staff of your Gas Region will get in touch with you - ready to talk business now for the New Gas Era. They'll be able to determine your accessibility to a gas supply, help you plan your future needs, and tell you about energy saving through our Technical Consultancy Service.

Get your name on the list now. Autumn's nearer than you think.

The British Gas Technical Consultancy Service helps you get the maximum value from every therm of gas used, by advising on the most efficient application by industry and commerce.



Join the New Gas Era

Morgan Grenfell
n £150m.
ancing

Herbert in Mexican venture

Oil plant

Polish loan

BOB fairs

TV measures

New ferry

Aeroflot in Cyprus

HOME NEWS

Whisky explosion could cost £20m

By Ray Perman, Scottish Correspondent
POLICE AND firemen will try to discover the cause of an explosion and fire which destroyed two warehouses at a container depot near Glasgow and damaged a neighbouring power station and thousands of houses within a radius of several miles.

The explosion, just after noon, was the third over the holiday period, but unlike the others at South London and Bristol, it is not thought to have been caused by a gas leak.
The explosion occurred in a general cargo shed containing chemicals, tyres and combine harvesters among other goods, and the fire spread to a bonded store which held whisky for export.

Earl leaves £11m. land

THE FIFTH Earl of Leicester, who died in September, aged 68, left settled land valued at £11,218,528. It was disclosed yesterday that the settled estate was valued at £37,950 gross, £35,136 net.

Varley seeks NEB talks on Leyland production

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

MR. ERIC VARLEY, the Secretary for Industry, has called for talks with the National Enterprise Board about ways to increase output by Leyland Cars.
Continuity of production and freedom from inter-union and external disputes, such as that at Rothery Owen, the components supplier, are important for the company to achieve the output targets set in the 1977 business plan approved by the NEB.

Heavy drinking bigger problem than strikes, report suggests

BY KEVIN DONE, INDUSTRIAL STAFF

EXCESSIVE DRINKING could be costing industry as much as £300m a year in impaired performance and efficiency, according to a National Council on Alcoholism working party report.
The report suggests that the number of days lost through the effects of alcohol abuse is probably far greater than the time lost through strikes and stoppages.

Both the Government and NEB are known to be pleased with assurances given by the workers about productivity advances planned for the new Mini scheduled to be launched in 1978.
Concern centres on the more immediate problems of low output. Mr. Varley did not delay approval of the £140m. Mini programme by calling for talks. But both NEB and Department of Industry officials are monitoring the position.

Lack of orders

The workload has been declining for some time, and the prospect of redundancies has been increasing, especially because of the lack of new orders for the aircraft in the financial state of the world airline industry, and the lack of a new major civil airliner programme with which to replace it.

SNOW REPORTS
Depth State (cm.) of Weather
L U F
New snow on hard base
New snow on hard base

Hawker Siddeley to cut 450 jobs

By Michael Donno, Aerospace Correspondent

HAWKER SIDDELEY Aviation told trades union representatives at its Brough, Yorkshire, factory yesterday that this week it will be giving redundancy notices to 450 of its 4,750 workers, because of shortage of work.
The Brough plant is one of the main BSA production centres, where work has been carried out on fuselages for Trident jets for China, and on Buccaneer fighters for the Navy and RAF, on Harrier jump-jet fighters, and on the Hawk trainer for the RAF.

Lack of orders
The workload has been declining for some time, and the prospect of redundancies has been increasing, especially because of the lack of new orders for the aircraft in the financial state of the world airline industry, and the lack of a new major civil airliner programme with which to replace it.

Licence threat to Amoco over BNOC issue

BY RAY DAFTER, ENERGY CORRESPONDENT

AMOCO, one of the major North Sea operators, may be left out of the latest round of exploration licences because of its continued opposition to the Government's new State participation terms.
The Government is expected to announce the preliminary list of fifth round licences later this month or possibly early in February.

Phase 3 must give incentives to management, says CBI chief

BY ADRIAN HAMILTON

INDUSTRY WILL support the account differentials, productivity and other matters.
This time, he declared, the Confederation was determined to play "a proper role in negotiations from the start. To this end it had been working on questions which it would put to Government next week.
The broad CBI view was now in favour of a phase III, made up of three elements. "The first would be a general norm, preferably a low one and quite possibly felt necessary for the Government and the trade unions. In this the CBI would have no part. If our member rejected outright and the question of incentives for management, without which, he said, real economic growth on the lines of the industrial strategy would be impossible.

Tory move to exclude Wales from Bill

By Philip Rawstone

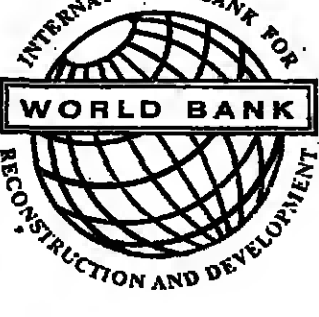
THE CONSERVATIVES will mount a major effort in the Commons next week to exclude Wales from the Government's devolution Bill.
Mr. Nicholas Edwards, Tory spokesman for Wales, last night predicted a close vote on the issue on the first day of the Bill's marathon committee stage on Thursday week.
Mr. Edwards said at Haverfordwest: "Believing as we do that the scheme proposed for Wales is fundamentally unsound, we have a duty to oppose it with all our energy."

New Issue January 4, 1977

All of these bonds having been placed, this announcement appears for purposes of record only.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT Washington, D. C.

DM 250,000,000
7% Deutsche Mark Bonds of 1977, due 1987



Interest: 7% p.a., payable on January 1 of each year
Redemption: on January 1, 1987 at par
Listing: at all German Stock Exchanges
Issue Price: 99%

Table listing participating banks for the bond issue, including Deutsche Bank, Dresdner Bank, and various regional banks across Germany.

BOND DRAWING

European Coal and Steel Community (E.C.S.C.)
U.S.\$500,000,000 - 7 1/2% 15 Year Bonds of 1974 due 1st February, 1989

The Commission of the European Communities informs herewith the bearers of bonds that a selection by lot for a principal amount of U.S.\$500,000,000 has been made for redemption in the presence of a Notary Public on 22nd December, 1976 by The Chase Manhattan Bank N.A. New York.

Table showing the numbers of bonds selected by lot for redemption, categorized by registered bond No. and principal amount.

Final amount unamortised after February 1, 1977 U.S.\$49,500,000.
The bonds selected by lot will be reimbursed on or after February 1, 1977, with coupons of February 1978 and following attached in accordance with the terms of payment mentioned on the bonds.
4th January, 1977

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JPV 1001510

Friday January 5 1977

Tory move to exclude Wales from Bill

By Philip Rowland
The Conservative Government's proposal to exclude Wales from the proposed new Bill...

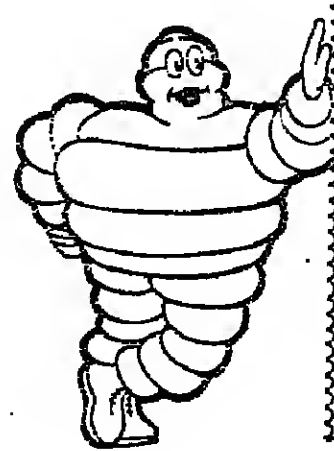
centives CBI child

The CBI has urged the Government to introduce incentives for child...



The year Michelin started building tyres in Stoke-on-Trent, Lindbergh flew the Atlantic, the first talkie was made, Major Segrave clocked 203 m.p.h. to break the land speed record, and hems levelled-off at an inch below the knee.

For the next 50 years, carry on driving Michelin.



HOME NEWS

Post Office cuts 'would cost more than they save'

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

THE POST OFFICE'S plan to save £220m. by cutting its investment programme would cost the nation far more in terms of redundancy pay, social security and other payments, according to its equipment suppliers.

Post Office order cuts. Because of the delay between ordering and delivery, the Post Office expects to save only £100m. of the £220m. in expenditure terms by April, 1980, the remaining £120m. following by 1983.

Over 7m. tourists in nine months

BY ARTHUR SANDLES

MORE THAN 7.25m. foreign tourists came to Britain in the first three-quarters of 1976, topping the total for the full year 1974 and within 10% of the record-breaking full-1975 figure.

Air passengers up by 10%

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE WORLD'S airlines carried 580m. passengers last year, nearly 10 per cent more than in 1975.

Birds Eye will spend £4m.-plus on plants

Financial Times Reporter

THE UNILEVER frozen food subsidiary, Birds Eye, is to spend £2.3m. on modernising its beefburger production at Yarmonth. Another £1.7m. is to be spent on its fish-finger plant at Grimsby and £170,000 on its plant freezing plant at Lowestoft.

'Difficult to extend incomes policy'

THE DROP in living standards expected next year will make it very difficult for the U.K. Government to continue with an effective incomes policy, Mr. G. D. N. Worswick, director of the National Institute of Economic and Social Research, argues in the latest Lloyd's Bank Review.

Mr. Worswick takes the view that "some form of incomes policy is needed as a permanent support to demand management in maintaining full employment."

M. East rise

During the third quarter there was a 6 per cent rise in traffic from North America, 20 per cent from the Middle East and 24 per cent from Western Europe.

MP calls for toll on foreign lorries

A FORM of road toll should be imposed on Continental commercial vehicles arriving in Britain, Mr. Marcus Fox, Tory MP for Shipley, said yesterday.

Hopes for rail fare stability this year

RAIL FARES, which went up by an average 12 per cent on Sunday, will not rise again before the autumn, and it is possible that there will be no further increases this year.

Mr. Worswick also says that "the ability to hold the exchange rate remains critical."

Warning of Soviet submarine threat

THE SOVIET submarine threat to Western shipping in a future war would be "incomparably greater" than that posed during the Second World War by the German U-boats.

Notice of Redemption Copenhagen Telephone Company, Incorporated

Table with columns for Coupon Debentures of \$1,000, Principal Amount Outstanding, and various numerical values.

Supercar advance

Leyland Cars is to improve its Supercar scheme for new car buyers to give second year AA cover at an advantageous rate and to allow the second year costs to be included in the hire-purchase arrangement.

Policy reversal

Toyota is to re-introduce its Celica 1600 GT coupé model to the U.K. The company says that this reversal of its policy has been caused by renewed public interest in the vehicle following recent competitive successes.

Rate unchanged

Finance House Base Rate will be unchanged at 15 per cent for January, the Finance Houses Association announced.

Polls in March

By-elections in two vacant seats caused by the departure of Mr. Roy Jenkins and Mr. Christopher Tugendhat to European Commission posts are unlikely to be held until the first week of March.

Long-term interest

A modest fall in long-term interest rates, coupled with a rather more marked reduction in short-term rates, is expected by stockbrokers Wood Mackenzie, in their latest monetary assessment.

New oil brand

Lucas Service, the distribution branch of Lucas Industries, is to retail its own brand of lubricating oil. The company said that the new oil would be complementary to its other do-it-yourself products such as plugs, points and filters.

Consumer spending

A rise of more than 1 per cent in consumer spending in real terms in 1977 is predicted by Staniland Hall, the business forecasters. This is in contrast with

Polys in March

Mr. Jenkins's seat at Stechford will provide another critical test

Advertisement for the Rover 3500, featuring a large image of the car and text describing its features like the Triple X Ten Twenty laminated windscreen.

Advertisement for DUNCANSON & HOLT, INC. featuring the text 'has acquired THE ROCHDALE INSURANCE COMPANY' and 'CO-OPERATIVE INSURANCE SOCIETY, LTD.' along with contact information for Stuart Brothers.

Handwritten Arabic text at the bottom of the page.

HOME NEWS

Agency will devise plan to stir Scottish economy

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE SCOTTISH Development Agency will soon begin drawing up a master plan identifying areas of the economy in which it will look for opportunities to intervene in order to strengthen existing companies or help new ones to be set up.

Leith has hopes of £8m. ship order

ROBB CALEDON, the Scottish shipbuilder, is close to signing an order which could greatly reduce the number of redundancies threatened at the company's yard in Leith.

The deal, if successful, would end the 11-month order famine which forced the company to announce last week that three months' notice of redundancy would be given to 237 workers this month.

U.K. ports experience revival

By Our Shipping Correspondent

BRITAIN'S PORTS are now busier than at any time since 1974, says the National Ports Council whose latest quarterly bulletin states that total traffic in the first nine months of this year was 6 per cent higher than the slump levels of 1975.

Poor output record by State industries

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

OUTPUT HAS declined from its 1962 level or remained static in five of the nine main nationalised industries, according to a National Economic Development Office paper published yesterday.

New regulation for jib cranes

ALL telescopic jib cranes used in the construction and shipbuilding industries will have to carry new indicators from January 1 next year showing what safe working loads are for different working conditions.

The British National Oil Corporation's order for a jack-up rig from Marathon Shipbuilding Company in the Clyde has been widely seen in Scotland as confirming the principle of speculative building and has fuelled demands for a similar policy in other parts of the country.

COMPANY NOTICES

COMPAGNIE NATIONALE DU RHONE 10% 1975/1976/1982 Loan of US\$ 25,000,000 The redemption on 1st February 1977, for which a sum of US\$ 1,250,000 is planned, has been drawn.

DRAWING At drawings made in December 1976, in the presence of the Registrar of Companies, Deposit certificates in respect of the GERMAN REICH 4% (FRANKE) 1975-1982 Stock of Bonds.

APPOINTMENTS

PRIVATE SECRETARY To the Assistant Financial Adviser (Planning) 2796-2338 inclusive + £112 supplementary payment. The Assistant Financial Adviser responsible for financial planning requires a mature Secretary.

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BOND DRAWING

ENSO-GUTZEIT OSAKEYHTIO 6 1/2% Sterling/Deutsche Mark Guaranteed Loan 1980. S. G. WARBURG & CO. LTD. announces that the redemption instalment of £400,000 due 1st February, 1977 has been met by purchases in the market to the nominal value of £165,100 and by a drawing of Bonds to the nominal value of £214,900.

Handwritten Arabic text: مكتبة من الاموال

LABOUR NEWS

£2 pay dispute threatens to halt Cammell Laird

By Christian Tyler, Labour Staff

ARGUMENTS OVER a £2 productivity payment to shipyard workers that was made and withdrawn 18 months ago are suddenly threatening all work at Cammell Laird's yard at Birkenhead, near Liverpool.

Last night about 450 skilled men—platers and shipwrights—left work saying they would not be back in the morning, in spite of attempts by leaders of the Boilermakers Society to prevent a strike.

If the strike is prolonged, the company will have to lay off the rest of its 4,250 manual workers; with consequent damage to its chances of securing new orders—in particular the contract for a missile destroyer for the Royal Navy.

The men are demanding that

the £2 a week payment—which lasted for two weeks in July, 1975, before a flexible working plan was rejected—should be restored in spite of the strictures of the pay policy. The company, under the direction of its 50 per cent shareholder, the Government, is standing firm.

This latest dispute could further delay an already slipping shipbuilding programme. At present, the company is building a Type 42 guided missile destroyer for the Navy and five 55,000-ton product carriers for a private client.

According to a local union official yesterday the claim conceals accumulated grievances about the way skilled pay differentials have been eroded. He said some of the yard's skilled men were on a rate of £85 for a 40-hour week, which made them the poorest paid in Europe.

The company was working on a three-part plan for reforming pay and productivity when the incomes policy came into effect. The first part—reducing to three the number of pay grades for Boilermakers' members—was agreed in 1974. The second part—a flexible working of "relaxation of working practices" proposal—was rejected in July, 1975, and the third, an incentive scheme, fell by the wayside.

Before the second part was thrown out, the company agreed to pay £2 a week to certain men for retraining. That payment stopped when the plan was rejected. The plan would have meant pay rises for flexible working for all the boilermakers at the yard.

Types of preventing a prolonged strike appear to rest on the men agreeing to their union leaders meeting the management.

Doubts on scheme to retire early

By Alan Pike, Labour Staff

THE GOVERNMENT'S job release scheme, under which workers nearing retirement can leave early to make way for replacements from the unemployment register, came into force yesterday amid mixed feelings about its likely effectiveness.

Under the scheme, which applies only to assisted areas, men aged 64 and women of 59 can receive a £23 a week tax free allowance until they reach normal pensionable age. Workers who leave must be replaced from the unemployment register but the newcomer need not necessarily be appointed to the identical job.

Applications under the scheme have been open since November. More than 3,000 have been received so far.

A Department of Employment campaign to publicise the scheme, one of a series of measures to alleviate unemployment, begins this week. But many employers and union officials doubt whether the £23 inducement will be sufficient to make job release a major success.

The Belgian Government was disappointed by the initial response to a similar scheme last year and has now reduced its qualifying ages—originally 62 or over for men, and 58 for women—to 60 and 55. Although this scheme has some strict qualifications, including one that replacement workers must be aged under 30, the payments to retiring workers are normally worth about 75 per cent of former net pay.

Applications under the British scheme will not affect occupational pensions or retirement bonuses and applicants may seek supplementary benefits, if necessary, but not unemployment, sickness or other benefits.

Tractor plant strike costs £900,000 a day

A STRIKE at the Coventry tractor manufacturing plant of Massey Ferguson is costing the company £900,000 a day in lost sales, a management official said yesterday, when 700 employees were made idle.

The dispute, involving 900 assembly men, halted all tractor and farm machinery output just before Christmas. Yesterday pickets manned the factory gates, persuading many others not to go in, and also halting vehicles.

The dispute centres on 130 assembly men engaged on a special production track, where a time and motion study team is trying to establish job rates of pay. Employees involved have been accused by the company of not contributing a 100 per cent effort.

Fleet Street stoppages cost 25m copies

By Our Labour Staff

FLEET STREET'S Christmas and New Year stoppage over extra payments cost national newspapers 25m copies.

Only the Daily Express and the Guardian appeared in London on Monday because of the dispute. The Financial Times, which was not due to publish on Monday, did not appear yesterday because of action over the same issue by members of the National Society of Operative Printers, Graphical and Media Personnel machine branch.

The Newspaper Publishers Association maintained throughout the dispute that payments for working during the holiday weekend, rejected as inadequate by some print union members, were the maximum possible under the pay policy.

Last week the Daily Mirror management, which is not part of the NPA, dismissed 425 National Graphical Association members when they failed to report for work during Christmas. They were reinstated after accepting an agreement on payment for holiday working, but the paper still did not appear on Monday because of action by members of the Society of Graphical and Allied Trades.

The Daily Mirror agreement, similar to that offered elsewhere in Fleet Street, provided mileage allowances of up to £5.75 because of holiday transport difficulties and pre-shift payments of up to three hours to cover an earlier production start. These payments, the management calculated, were worth a maximum of nearly £11 and an average of about £9.

Drivers drop 'spy-in-cab' action

MILITANT LORRY drivers at Birmingham have called off their action, scheduled to start yesterday against the tachograph.

Mr. Alan Law, Transport and General Workers Union Midlands trade group secretary, representing 9,000 drivers, last night claimed victory in the campaign against what the union dubs "the spy in the cab."

The men had agreed to "put into abeyance" any further

action following a statement by Mr. William Rodgers, Transport Minister, that he had no intention of enforcing the compulsory installation of tachographs.

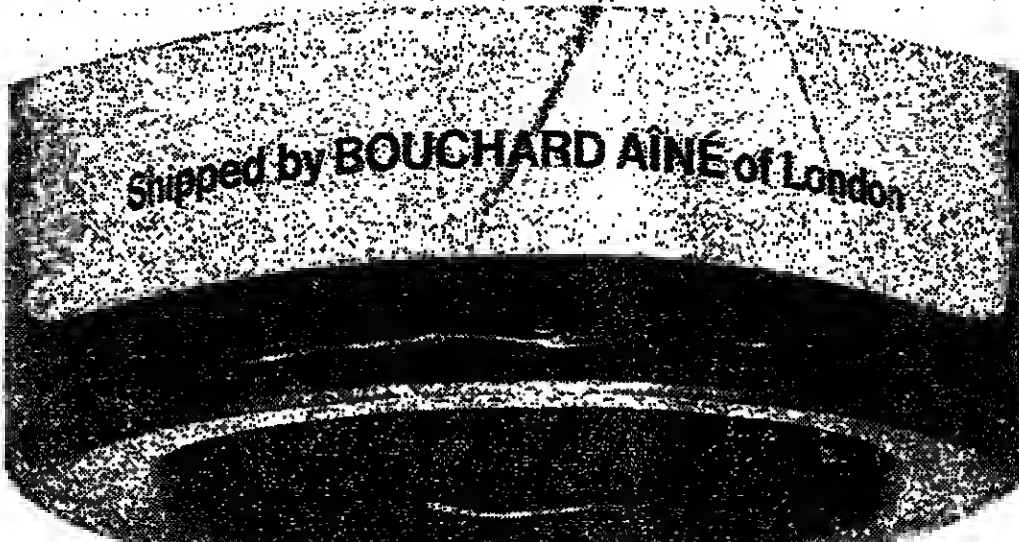
The drivers had warned that from today they would refuse to handle any lorries fitted with tachographs which came into the Birmingham area.

Mr. Law maintains that they have already achieved complete success in their refusal to take

out vehicles in which the measuring device is installed.

In the face of EEC regulations confirming its use, Mr. Rodgers has declared that the Government would prefer not to see the tachograph in Britain.

The Government is supporting the initiative by Mr. Jack Jones, the TGWU general secretary, for some form of EEC committee of inquiry to examine the U.K. case on tachographs.



What's in a name?

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In other words, a name such as ours can sometimes be all the guarantee you need.

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read the small print first

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New Issue January 5, 1977

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Interest: 6½% p. a., payable on January 1 of each year
Maturity: January 1, 1982
Listing: Frankfurt am. Main

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All of these securities having been sold, this advertisement appears as a matter of record only.

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January, 1976

The technical Page

EDITED BY ARTHUR BENNETT AND TED SCODETERS

ELECTRONICS

European situation analysed

THE FOURTH annual edition of the Mackintosh Yearbook covering the West-European electronics industry has been published.

As in previous years the main object is to answer the statistical questions posed by those who need to identify the buying and selling strengths of each country. In doing so, however, inevitable comparisons can be made between the countries themselves.

For example in 1976 the French exported \$619m of computer systems to the British \$47m and the West Germans \$453m. The figures for employment in this product area were 39,000, 43,000 and 49,000 respectively. Mackintosh 1977 prediction for total computer systems production are \$1,566m, \$1,062m and \$1,310m. There are no total computer production figures for 1975 but in 1974 they were \$1,158m, \$604m and \$1,134m for employment of 27,000, 43,000 and 41,000 for the three countries respectively.

In spite of the acknowledged problems of drawing hard conclusions from statistics, it would appear that the U.K. industry has something to learn from the French.

There is, however, another side to the coin: of the three countries the U.K. is, according to Mackintosh's figures, the only one that is a net exporter (by 62m) of computer systems.

The picture painted of the telecommunications sector is also interesting. The U.K. in 1976, West Germany exported \$559m against the U.K.'s \$133m, the French scoring \$232m. The three figures for imported telecommunications were \$79m, \$88m and \$33m—pointing up the "home made" nature of European telephone networks but degrading the U.K. position still further at the same time. Students and critics of the industry will no doubt once again point to the U.K. which has very little to offer in terms of exportable PTT equipment.

The sections dealt with by the report cover: computer systems, control and instrumentation, communications, telecommunications, consumer and components.

For the electronics industry for 1977 Mackintosh predicts total production by West Germany, France and the U.K. to be \$11,650m, \$8,340m and \$8,050m respectively.

In 1974 the figures for France and the U.K. were roughly the same (at about \$5.5bn.); in 1977, if the prediction is borne out, French output will be half as much again.

It should perhaps be mentioned that Mackintosh does not regard its figures as sacrosanct and takes a couple of pages of the report to outline the problems—ranging from the meaning of the word "production" (it can often mean assembly of imported parts) to the unreliability and sometimes simple lack of appropriate statistics. So far as comparability is concerned the external trade statistics in the report have been analysed by the Brussels Trade Nomenclature.

Sections of the report deal with economic prospects in general, prospects for the respective national industries, consolidated statistics, production data, and markets.

The Ad size, it contains 144 pages and is priced at £50. Mackintosh Publications is at Victoria Street, Luton, Beds. LU1 5DE. (0582 417435).

PACKAGING

Wraps up journals

A COMPACT bundle under wrapper for the newspaper and magazine publishing industries has been developed by Pakseal Industries, Cordwallis Estate, Maidenhead, Berks. (0629 26381).

Measuring 24 inches long, it can be adjusted from 34 to 36 ins. high to suit the conveyor system in which it is installed. The maker says it is small enough to fit against a counter stacker, bundle strapper or tying machine, or to be placed anywhere in a conveyor system.

Capable of underwrapping up to 40 bundles/minute, the machine has a power device to regulate bundle feed rate to match that of the counter stacker. It uses 21 inches wide underwrap paper, and will deal with both large and small bundles, as the length of underwrap is controlled by a switch depressed by the bundle as it travels through the machine.

Maximum diameter of the feed roll is 22 ins. The roll is mounted on a trolley which can be positioned to feed from either side of the machine.

COMPONENTS

Special role connectors

A NUMBER of plug and socket variants that have additional functions in RF engineering and elsewhere have been announced by Sealstro of Walton Road, Farnham, Portsmouth, Hants. (07018 73211).

One of these is a Conbox RF connector that incorporates low pass filter functions. Typical of this range is a 50 ohm screw-on jack receptacle designed for bulkhead mounting. It has a minimum attenuation of 45 dB from 0.2 to 20 GHz. Other mating engagements and attenuations can be supplied.

A newly offered right angle flange mounting receptacle is designed as a microstrip launcher and has extended contact and dielectric. The latter can be modified by the user to suit his particular application by dimensional adjustment. The item will be useful for small volume laboratory requirements.

Also available is a test adaptor which is designed to excite the TE11 mode with a known reflection coefficient in TEM transmission lines.

DATA PROCESSING

Handles the tapes by thousands

HARD ON the heels of the news that Rolls-Royce will be the first organisation in the U.K. to buy the large tape library sold by IBM comes the announcement from Calcomp that Ford has just become the third automotive company in the U.S. to decide on an ATL or automated tape library, from that company.

The Ford requirement specifies a system to contain 2,000 reels of magnetic tape for automatic retrieval, staging and reeling on job completion. These will be handled by tape drives from the same company installed a few months ago. Chrysler and Mercedes Benz are among the 20-odd customers for this equipment which is a major rival to the big IBM-product.

Further details from Calcomp, Cory House, The Ring, Bracknell, Berkshire RG12 1ER, Bracknell 50211.

HANDLING

Simplifies sorting on conveyors

WHEN ITEMS, such as potatoes, other vegetables and fruit, eggs, or similar small objects, are sorted before storage or processing, the usual method is to employ a produce past operator who removes by hand the unwanted items.

The operator can identify reject produce more quickly than he can lift them from the conveyor to the rejecter. Institute of Agricultural Engineering has developed a mechanical separator. This allows the operator to concentrate on recognition, with automatic removal of the rejects, permitting a faster throughput with greater accuracy.

All the operator has to do is to touch rejected items with a hand-held wand. The produce

METALWORKING

Machining time cut to a third

INSTRUMENT MAKER Bellingham and Stanley has installed a Moog 1000 machining centre at the company's North London factory, and has reduced machining time of the body casting of the instrument to a third.

The machine has three-axis numerical control, and a facility to punch a control tape while the first component is machined under manual control. There are 24 stations on the tool magazine, and the machine carries out milling, drilling, tapping, reaming and counterboring.

In working on the body casting all 24 tool stations are used, and the components are mounted in pairs using the co-ordinate sub-plains on the machine table, with the casting facing downwards. Tolerances are maintained to within ±0.01 in.

The company has used the machine for a wide variety of work on components made from stainless steel, brass and aluminium. It says it has made savings in the cost of jigs and fixtures, reduced lead times, and improved finished product control over workshop processes.

Optimum work output from the operator has been achieved by installing a small vertical miller and single spindle drill adjacent to the Moog so that the operator can perform pre-operation or second operation on a component within the cycle time of the Moog. Together with a dehurting operation, the operator is kept busy in better time saving. The machining centre is on automatic cycle.

Details from Moog, P.O. Box 8, Runnings Road, Cheltenham, Glos. (0242 35621).



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PROCESSING

Watch over microscopy specimens

PRODUCTION of extremely thin specimens for electron beam microscopy using ion beam thinner equipment is a delicate operation and it is very easy to ruin specimens through gross penetration by the ion beam.

Edwards High Vacuum calls the device it has succeeded in developing to prevent this an "ion beam penetration switch". This operates by detecting the moment of perforation of the specimen, eliminating the need for constant supervision of complex calculations to determine the penetration point.

The switch picks up any ion current which passes through the specimen by means of a probe placed in the path of the beam. Place, 22 Cambridge Street, for 20 seconds every two minutes. Any ion current detected is fed

POWER

Source of breakers

ETA, which employs 1,000 people in Germany and turns over about £10m, has formed a subsidiary in the U.K., ETA-Circuit Breakers (U.K.).

Based in Aylesbury, the company will market the parent's full range of thermal, thermal-magnetic, magnetic and electronic miniature, over-current circuit breakers and associated control devices, in a wide variety of types and ratings.

Applications for the products occur in domestic appliances, business machines, medical equipment, commercial vehicles and aircraft. More from Rycote Aylesbury, Bucks. HP20 1RS. (0295 89462).

CONFERENCES

New angles on cutting

BECAUSE many new tool materials have been brought in over the past few years—coated carbides, synthetic diamonds and other high-pressure artifacts, and new grades of tool steels—it has become clear that a review of the situation is needed, especially since progress in machining technology has contributed towards an improvement in the economics of metal-cutting work.

These new aspects of cutting methods and technologies will be examined during an international conference to be held in 1977 at the Mount Royal Hotel in London.

To be held on March 3 and 4, the conference is being designed in conjunction with suppliers of cutting tools and a number of research institutions.

Further from Conference Secretary, Engineers' Digest, 120 Wigmore Street, London W1 01-435 6263.

COMMUNICATIONS

Squeezing more digits into cable

DURING 1976 a good deal was heard about new transmission systems which might at some time in the future carry sizeable amounts of telephone and data traffic into the Post Office network.

The contenders were optical fibre and helical waveguide. Both have been in development for about ten years, both offer great promise, but neither looks like coming into full scale service for some years yet.

Meanwhile the coaxial cable—mainstay of the network in which many millions of "copper" pounds have been invested over the years—continues to be improved. In the autumn orders were placed by the P.O. with both GEC and STC for systems able to carry 120 megabits/sec. of data down 4.4 mm coaxial

COMMUNICATIONS

guide—equivalent to 1680 phone calls.

Such systems are digital, using time-interleaved pulse streams to carry many separate channels of information. They can transmit with equal ease computer data or audio/video signals that have been digitised by well established techniques such as pulse code modulation.

Such methods will in the coming years integrate with the forthcoming generations of electronic switching centres; these will be digital and will be called upon to route speech, television and computer data. Indeed, such centres will probably not know the difference between the three, all having been reduced to the same kind of digit stream.

Thus, as the 20th century draws to a close the communication engineer's ideal of digital lines connecting digital switches will become established. Until then, a good deal of analogue to digital conversion will be inevitable.

Which of the three transmission options—copper coaxial, optical fibre or helical wave-

COMMUNICATIONS

guide—will seem important by then is a matter for conjecture.

Just before Christmas though, STC's transmission division at Basildon announced that it has been given a Post Office contract to look at the feasibility of pumping 560 Mbits/sec down a carrying 6 mm coaxial tube. This will mean using repeaters at one kilometre intervals (half the present standard) with consequent road digging, but on the other hand will raise the transmission rate to the equivalent of nearly a thousand phone calls.

Which of the three options is likely to be installed in any specific future case is really a matter of relative cost and predicted growth rate on the route. Waveguide even as it stands is very nearly ready or 250,000 channel application according to some Post Office sources. Fibre on the other hand is between one and two orders down on this and might well remain so until true optical, that is monomode transmission, is available.

How much business will be done in each area by the major contractors with the Post Office

COMMUNICATIONS

and how business can be sustained is indeed the "jackpot" question.

Waveguide contracts when they come will involve considerable sums of money, but on the other hand there will not be more than a handful of them. Carrying traffic between major population concentrations. Thus, waveguide business could follow the path of microwaves in the 50's and 60's—sweet, but short.

The remainder of the battle will be between coaxial and fibre, in areas of lower growth rates and traffic levels.

The outcome of this, of course, is entirely dependent on the development of fibre systems. It seems certain that where the copper is laid already—and there is a lot of it—under the country's roads—it will be exploited to the utmost.

But where the tubes are drawing a new cable into the duct or putting in a spare fibre, the fibre is a better bet. Geoffrey Charlish very well have swung in favour of fibre. GEOFFREY CHARLISH

Building and Civil Engineering

WATER

Treatment and drainage

AN encouraging start to the New Year has been given to J. F. Donohoe of Bredbury, Stockport, Cheshire, by the award of a £1.4m contract at Ashton-under-Lyne, a main contractor is Epps Construction.

The award, by Tameside Borough Council, as agent for the North-West Water Authority, is for the installation of full air conditioning in connection with the Ashton Main Drainage Scheme Contract No. 1. It calls for 1.5 km of sewerage treatment, 1.5 km of pre-cast concrete pipe laid in trench, a storm water overflow chamber and ancillary work.

A start has been made on the job and it will take about two years to complete.

Included is a contract at a specialist unit of Shell Research laboratories at St. Leonards-on-Sea, Kent, where the contractor is Epps Construction.

Work here involves installation of full air conditioning with an integral heat reclaim system and laboratory services. In Jersey a mechanical services sub-contract was awarded to Epps Construction for the installation of a hydrotherapy pool, is being undertaken on the new block of the General Hospital. Major contractor is Mark Amy.

Another contract valued at £44,990, is at the Royal British Legion, Aylesford, Kent, where the complete electrical installation in the second phase of the new house building is being carried out. Architects for this project are Peter Brown, Easton, Kent. Partners. Main contractor is Wiltshier Construction.

In Eastbourne, Sussex, the Division is undertaking mechanical services installation in an old people's home in Latimer Road for the Royal British Legion Housing Association. Main contractor for this job is David Newell Construction.

Maintenance of timber roofs

FLAT AND low pitch timber roofs have recently been investigated by the Building Research Establishment's Princes Risborough Laboratory. Experience has shown that, correctly designed and maintained, these roofs give trouble-free service, but unfortunately these criteria are not always met and problems can occur early in the life of a building.

The investigation indicated the need for regular inspection of flat and low-pitched roofs using built-up timber beams, or other composite timber structures to ensure that high moisture conditions have not developed and that the structure is in a satisfactory condition.

To assist those who have the responsibility for buildings with this type of roof, BRE has published an information sheet (IS/2678), giving guidance on maintenance inspections and remedial action. Information can be taken from the sheet, which is available free from the Distribution Unit, BRE, Watlington, Watford, Herts. (09273 74040).

Curacao plant extension

An extension of the Curacao Mundo Nobe water treatment plant has been handed over to the water and electricity authority (Korpus di Awa Elektrisidat di Sison) of Curacao. The plant was developed for the Curacao Island Board and constructed by Stork Warkop Water Engineering.

In the meantime, Stork Warkop Water is also engaged on a further extension, which will increase the supply to 10,000 cubic metres of drinking water converted from sea water per day.



Fitting out Ramsgate supermarket

HAVING gained the contract for a two-storey Waitrose supermarket at Ramsgate, Kent, C. H. Construction has now won a further contract for fitting it out. Value of this work is over £500,000.

Included in the contract are heating, ventilating, plumbing and electrical installations as well as cold rooms, refrigeration cabinets and service hoists.

The store will have a shopping area of 1,385 square metres at ground level with 1,395 square metres of storage above.

Truck and loader

BASED ON the Ford Transit 190 light truck, the truck/loader combination called the Tildiff, launched by Reginald Tildesley, Railway Lane, Willenham, West Midlands (0202 669221).

Mounted on a sub-frame at the rear of the truck platform, the loader is available in hand systems, full hydraulic or electro-hydraulic versions. It can lift 15 cwt. to a maximum height of 16 feet at 9 feet 6 inch radius. During lifting, manually extended outriggers stabilise the truck at front and rear. A reduction gear is used to stow the crane through 350 deg.

The truck is available with a petrol or diesel engine, has drop sides, and can carry a 2 ton payload.



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Telex: 45318
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Wiltshier puts in services

FREE Engineering Services Division of John E. Wiltshier & Co. has been awarded six contracts totalling more than £300,000 for work in the south.

Driving-rain map for Ulster

COMPLETING THE large-scale map of the driving rain index for the U.K. already published by the Building Research Establishment (BRE), is a map of the annual mean driving rain index for Northern Ireland.

It is to the same scale, 1:825,000, as the 29 maps previously published, and has been produced with the aid of rainfall and wind speed data supplied by the Meteorological Service of the Department of Transport and Power, Dublin.

The units are m²/s, being the

Will design and procure

MATTHEW HALL Engineering has been awarded a contract by ICI Organics Division for design and procurement services for a major expansion of ICI's pyridine crop protection chemicals plant at Grangemouth, Stirling-shire, Scotland.

The total erected cost is estimated at £11m, and completion of construction is scheduled for the end of 1978.

Standards for new buildings

COMPARATIVELY modest specifications for the insulation of all new buildings would save, in a single year's industrial building construction programme in Britain, between 47,200 and 56,600 tonnes of oil fuel, which would be of considerable importance to the country's balance of payments.

This is one of the findings of an extremely detailed study of the problems of energy waste in industrial buildings carried out by the Association of British Manufacturers of Mineral Insulating Fibres—Eurisol-U.K.

Entitled "Thermal Insulation Case for Higher Standards," it has been submitted for study to the relevant Departments and Ministries. But whatever they agree or may not do, it is also worth every architect's and manager's while to read it closely.

In brief

Under an £80,000 contract Eastwick & Telford is supplying thermal insulating blocks for 185 dwellings at the Vaynor development at Newton in Powys for the Mid-Wales Development Corporation.

Conserving costly heat

ARCHITECTS, building services designers and management, as well as staff representatives, will be found in four brochures produced by the Electricity Council and intended to show how, in many commercial buildings, energy is wasted through bad design and poor installation, together with a lack of proper commissioning and use.

For the architect in particular "Buildings are for people" drives home the point that the right decisions must be taken at the

Offshore unit for Decca

A NEW company is being formed by Decca Survey to market equipment, systems and services in the oceanographic and allied fields.

Named Offshore Environmental Systems, the new company will be able to manage projects from the initial desk study stage through to controlling and conducting field operations; staff from elsewhere in Decca, or from outside, will be engaged as required on a contract basis.

It is intended to tackle siltation studies, port development, platform monitoring, underwater pipelines, outfalls and power station studies. Subjects involved will include water circulation, waves, tides, diffusion and dilution, density

Standards for new buildings

The report points out that the maximum overall U value of industrial sector is second only to the domestic sector in terms of energy required for space heating and that the effects of the increases in the cost of fuel are such that spending rose from £94m. in 1972, representing 17,956m. therms, to almost double in 1974 at 31,550m. (18,455m. therms). This is for new buildings would save, in a single year's industrial building construction programme in Britain, between 47,200 and 56,600 tonnes of oil fuel, which would be of considerable importance to the country's balance of payments.

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WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not available whether dividends concerned are interim or final. The sub-division shown below is based mainly on last year's time-table.

Table with columns for Dividend & Interest Payments, Board Meeting, and Company Meeting. Lists various companies and their financial details.

APPOINTMENTS

L. Maxwell leaves GKN

Mr. L. Maxwell, having reached retirement age, has resigned from the Board of GKN. He was appointed to the Board in 1968.

Sir John Read will chair electronics industry EDC

Sir John Read has been appointed chairman of the Electronics Development Committee for the Electronics Industry. Sir John is also a director of Dunlop Holdings and Thames Television.

Changes at GEC cables company

Mr. Adrian M. Evans has been appointed managing director and Mr. C. W. Bartlett works director of GEC-HENTLEY, a member company of the cables and wire group of GEC.

Weekly exchange prices

Table showing weekly exchange prices for Hong Kong, Canadian Weekly, and Singapore Stocks. Includes columns for stock names and prices.

Australian Weekly List

Table showing Australian Weekly List with columns for stock names and prices.

Or. Eric Chamberlain, director of the central NATIONAL COAL BOARD, for the past ten years, retires at the end of this month. He will be succeeded by Professor J. D. Chamberlain on February 1, Dr. Chamberlain, who joined the NCB in 1947 as a divisional chief scientist in Scotland, subsequently led the development of the tube-bundle system for continuous monitoring of mine air. Mr. Makower went to the Board in 1950 on the recommendation of the scientific control, later becoming assistant director and then deputy-director.

Professor J. D. Chamberlain has been appointed chairman of the NATIONAL COMPUTING CENTRE from April 1 in succession to Sir Robert Cockburn. Professor Chamberlain retired from the Post Office as Member for Technology on December 31.

Mr. Barrie Willis has become assistant managing director of the REALLANT MOTOR COMPANY. He was previously director of product development and supplies.

Mr. Peter S. Lane, a partner in Binder Hamlyn, has been appointed director-general of the FEDERATION OF MANUFACTURERS' ASSOCIATIONS AND CRANES in succession to Mr. John Annetts, who has retired from that post after 30 years.

Mr. J. E. V. Davies has been appointed financial director of CHARLES RICHARDS FASTENERS.

LIBRA BANK: Mr. John A. Finch has been appointed managing director of the bank. Mr. Frederick J. Haller general manager—finance, and Mr. Norman J. Simons general manager—treasury.

Mr. Frank R. Pedler, senior partner in Tucker Turner and Co., solicitors, joined the Boards of the RELIANCE MUTUAL INSURANCE SOCIETY and its subsidiary, the British Life Office and the Reliance Fire and Accident Corporation.

CULTER GIARD BRIDGE HOLDINGS has appointed three directors to the Board. They are Mr. R. A. Adam, managing director, the Culter Mills Paper Company; Mr. John C. O'Brien, managing director of the Culter Paper Company; and Mr. E. D. MacLaurin, sales director of Smith and McLaurin.

Mr. C. J. Frost, assistant to the directors of ALLEN HARVEY AND ROSS, has been appointed a director.

Mr. D. S. Walker has resigned from the Board of MYDDLETON HOTELS.

Mr. Ken Butcher and Mr. John Emerson have retired as executive directors of TOZER KENSLEY AND MILLBOURN and have been appointed non-executive directors.

Mr. E. J. P. C. Lombard Knight has retired from the Boards of LOMBARD NORTH CENTRAL and subsidiary companies.

Mr. A. W. B. Davies has been appointed an assistant secretary of the LIFE OFFICES' ASSOCIATION.

Mr. David Carrington has been appointed a director of MATTHEWS WRIGHTSON-PULBROOK and of its subsidiary underwriting agency companies.

Mr. G. D. Pears has been appointed managing director of AUTOMOTIVE PRODUCTS. He succeeds Mr. J. T. Pank, who continues as deputy chairman and chief executive. The Board will have the change of Mr. Pank to do more time to planning policies and developing overseas business.

Mr. J. F. G. Chapple has resigned from the Board of PEARSON LONGMAN on his retirement.

Mr. Robert Knight, executive vice-chairman, BOWATER CORPORATION, has retired from his executive appointments after more than 40 years' service. He remains a director of the Corporation in a non-executive capacity and will also remain on the Boards of certain subsidiary and associated companies.

Mr. Charles F. Hughesdon, a deputy chairman of MATTHEWS WRIGHTSON HOLDINGS, and Mr. Fernley P. E. Allen, a director, have retired. They have also retired from their various directorships within Stewart Wrightson, the insurance broking group, which forms part of MW Holdings, although Mr. Allen continues his involvement in its Middle East organisation. Mr. J. Henry Gray has retired as a director of Stewart Wrightson and as managing director of Stewart Wrightson (Marine).

Mr. Alan Blackshaw, an under-secretary in the Department of Energy, is to be director general of the OFFSHORE SUPPLIES OFFICE. He will succeed Mr. J. P. Gibson, who joined QSO from industry when it was first set up in 1973 and will shortly reach the end of his limited period in the Department. Mr. Gibson has been asked to undertake certain advisory tasks for the Department. Mr. Ceric Hunt, director of engineering, is retiring and will be replaced by Mr. Bill Allison, who has been in the engineering branch in 1974.

Professor H. J. King, head of the Mining Engineering Department, Nottingham University, has been appointed chairman of the SAFETY IN MINES RESEARCH ADVISORY BOARD. Professor King has been a Board member for nine years. New members are Mr. J. E. J. Hatch and Mr. A. K. M. Brown, department of mineral exploitation, University College, Cardiff. Mr. A. B. Burton, president, Council of the Institution of Mining and Metallurgical Engineers, and Dr. J. S. McLoughlin, chief medical officer, National Coal Board.

Mr. David Marlow has been appointed general manager of INDUSTRIAL AND COMMERCIAL FINANCE CORPORATION, following the retirement of Mr. Geoffrey Scarlett. Mr. Marlow is a director of ICFI and was previously deputy general manager. Mr. Scarlett remains a member of the Board.

BARING BROTHERS AND CO. has appointed five new managers. Mr. N. T. Chamberlayne and Mr. T. A. Vetch (investment director), Mr. P. E. J. Hatch and Mr. A. M. Pearce (banking group); and Mr. W. R. Russell (administration).

Mr. Howard Fraser, managing director of Stanley Gibbons Merkur GmbH, has been appointed deputy chairman of STANLEY GIBBONS INTERNATIONAL and joint managing director of Stanley Gibbons.

Mr. J. F. Couture has retired from the Board of GILL and DUFFUS Group, after 47 years' service. Mr. R. G. Loyal has also left the Board after almost 20 years' service to take up an appointment as managing director of Jardine Gill and Duffus (Hong Kong).

Mr. Richard D. Young has been appointed a non-executive director of BOOSEY AND HAWKES. Dr. Frank G. Connor has retired from the Board.

Mr. John Maynard has been appointed personal director of Reed Paper and Board (U.K.). Mr. Maynard was previously director of personnel at the Sanderson Division, the Wallpaper Manufacturers, another REO INTERNATIONAL company.

Mr. D. A. H. Rodger has been appointed managing director of TI (EXPORT), the overseas sales organisation of TI Steel Tube Division. He was previously sales and marketing director of TI Desford Tubes.

Mr. J. P. Johnson has taken up the new appointment of deputy managing director of RESEARCH AGRICULTURE. He retains his responsibilities as marketing director of the division. Mr. Johnson directed responsibility for the Leece division from ICI five years ago.

HENRY WIGGIN AND COMPANY, Mr. B. W. Durrant has become general manager, marketing. He succeeds W. F. Bissett, who has been appointed a director and executive vice-president of Oxyx, a U.S. based affiliate company. Previously controller of the company, Mr. Durrant joined the Inco organisation, which Wiggin is a part of its Cudahy refinery near Swansea in 1960.

Mr. P. J. Davis has been elected a non-executive director of JAMES AUSTIN STEEL HOLDINGS.

Mr. John R. Lawrence, currently managing director of Oxyx, has been appointed a director of BUILDING LAW REPORTS.

Mr. John Sullivan, previously sales promotion manager with Airflex Products, and sales manager of Durbex, has been elected to the Board of DUBREX.

Mr. P. J. Mason, previously senior manager, has been appointed an assistant general manager of UBAF BANK.

Mr. Anthony J. Speed has been appointed director of SEABAL OIL. Mr. Speed was previously in the international marine sales department of Texaco in both New York and London.

Mr. M. S. Freeman and Mr. P. D. Drakeford, previously joint managing directors of NEWGREEN (UNDERWRITING AGENCIES), have been appointed chairman and managing director respectively. Miss L. Davies has been made secretary.

ORION BANK states that the following non-executive directors have been appointed executive directors: Dr. P. Kuhlmann (West-Deutsche Landesbank), Mr. S. Okada (Mitsubishi Bank), and Mr. M. Teragishi (Credito Italiano). Other executive directors appointed are Mr. E. Borack (Chase Manhattan), Mr. P. A. Taylor (Royal Bank of Canada), Mr. D. W. Valle (National Westminster Bank), and Mr. A. Kroll (managing director Orion Leasing Holdings). Mr. S. A. Crookston (Royal Bank of Canada), and Mr. P. A. Gille (National Westminster Bank) have retired from the Board of Orion Bank.

Mr. D. E. Meekins has been appointed a director of A. L. STURGE (HOLDINGS). Mr. J. E. Drage will be a director of A. L. Sturze (Management).

Mr. J. S. Hague has become full-time chairman of the RALIN HOLDINGS GROUP and is therefore relinquishing his post as managing director of Equate Fasteners Engineering and Equate Sales. He is succeeded at Linciv by Mr. M. J. Leadbeater and at Hague by Mr. D. M. Hague. Mr. P. R. Guinness has become sales director of Linciv Engineering.

Mr. J. Gray has been appointed a director of R. K. HARRISON, J. I. JACOBS (INSURANCE), J. C. W. CHASE, has joined the Board of R. K. Harrison (Reinsurance Brokers).

Mr. Jack Tremain, chairman of CRAY VALLEY PRODUCTS, has retired.

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Grimsby gains trade from Immingham

PARTIAL TRANSFER of traffic in two commodities from Immingham Dock was the major contributory factor to an increase of 151,000 tonnes in imports to Grimsby for the first 38 weeks of 1976 compared with the corresponding period of 1975. The commodities were ironstone up 25,000 tonnes, and steel up 87,000 tonnes.

Most of the steel was handled at the Union Dock with a privately owned mobile crane.

'Up to half' had full week off

AS MOST factories started work again this week industrialists were noting up the cost of the longest winter break on record. In most large manufacturing and construction companies the workers were given an extra three days' holiday to make a full week between Christmas and the New Year. Some factories were also shut on Monday, January 3, particularly in the North and in Scotland, but in some cases the New Year was even as a holiday in itself. The pattern of time off over Christmas varied so much between different regions and different industries that no firm

national estimate is available for the proportion of the workforce which took an extra holiday.

Individual estimates by regional Chambers of Commerce suggest that between 50 and 60 per cent of all workers took a full week off, while some, mainly in Scotland, are extending the holiday well into this week.

In some cases workers were given a few extra days in addition to their annual holiday entitlement, but Mr. Anthony Frodsam, director general of the Engineering Employers' Federation, said that in most engineering firms the extra days would be set against the 23 days annual holiday.

For these companies the production 'lost' over the Christmas holidays has been merely postponed, but the construction industry, there may even have been a slight gain.

On the assumption that a third of Britain's workforce took three days' extra holiday this Christmas, the total production of the country would be reduced by 10 per cent, assuming the gross domestic product to be distributed equally between working days.

Mr. P. A. Halg has resigned from the Board of ESTATES PRO...

SOCIETE NATIONALE ELF AQUITAINE Public Company with a capital of F 755 311 100. Registered Office: 7, rue Nelaton - 75 PARIS (15ème). Trade Register: PARIS B 552 120 784.

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1) Numerical list of the serie including with the previous purchases, the 1 600 bonds drawn by lot on December 22, 1976 (sixth drawing by lot) making up the entire \$ 1 600 000 nominal amount to be redeemed on February 15, 1977: 13 671 to 15 274

2) The numeration of bonds previously drawn by lot and not yet presented for repayment: Drawing of December 21, 1972—Repayment on February 15, 1973 4 653 - 4 661 and 4 662

Drawing of December 23, 1975—Repayment on February 15, 1976 12 568 to 12 570 - 12 640 - 13 281 - 13 282 - 13 294 to 13 297 - 13 471 to 13 488

Each of these bonds is repayable at \$ 1 000 at the office of the FIRST NATIONAL CITY BANK, in NEW YORK, and at the offices of BANQUE NATIONALE DU PARIS, PARIS - BANQUE DE PARIS et des PAYS-BAS, PARIS - CREDIT LYONNAIS, PARIS - BANQUE FRANCAISE DE DEPOTS et de TITRES, PARIS - DEUTSCHE BANK AG, FRANKFURT-AM-MAIN - DRESNER BANK AG, FRANKFURT-AM-MAIN - COMMERZBANK AG, DUSSELDORF - BANQUE BRUXELLES LAMBERT, BRUXELLES - KREDIETBANK NV, BRUXELLES - SOCIETE GENERALE DE BANQUE SA, BRUXELLES - BARCLAYS BANK LONDON - BANCA NAZIONALE DEL LAVORO, ROME - BANCA COMMERCIALE ITALIANA, MILAN - BANQUE GENERALE DU LUXEMBOURG, LUXEMBOURG - KREDIETBANK SA, LUXEMBOURG - ALGEMENE BANK NEDERLAND NV, AMSTERDAM - AMSTERDAM-ROTTERDAM BANK NV, AMSTERDAM.

Note—The bonds bearing the numbers 19 833 to 19 835 and not yet redeemed are under stop.

Dark side of 'golden age'

BY RUPERT CORNWELL. 'THE PAYMENTS' figures are extremely shocking and show how the position is getting rapidly out of hand. The words are not a Treasury warning to this Labour Government, but one to its predecessor of 31 years ago, written by a man, Mr. Henley, might be likely to have at his side today, John Maynard Keynes. They are just a snippet of a top-secret memorandum prepared for the Attlee Cabinet on February 9, 1946, as Labour once more played its duplicitous role of crapping with enormous financial crises. The dragon then was called Overseas Deficit instead of Public Sector Borrowing Requirement, but the parallels between 1946 and 1976 are remarkable, especially the Labour Party's print of the time.

That first post-war year after the Second World War was one of extraordinary contrasts. Britain, yet battle-scarred Labour rulers of to-day look back on the period as the golden age of Socialism in Britain. A fuller picture is now available from the Cabinet records for 1946, which are open for scrutiny at the Public Records Office after the prescribed 30 years of secrecy. The first impression is one of astonishment at the amount of work the Government got through. Cabinet meetings were commonly held in the afternoon, and proceedings slip through their fingers in the official minutes. In keeping with our nominal status of Great Power, a large proportion of Cabinet time was spent on foreign affairs: India, Germany, Iraq, Libya, Italy, Greece—and of course Palestine (where the most sensitive Cabinet papers are still shrouded in secrecy). But it is from the treacherous language of the Keynes memorandum on the Overseas Deficit, requested by Chancellor Dalton, that the unpractised eye sees the storm clouds gathering, and the crises of 1947 that were to expose Britain as an emperor with remarkably few clothes (let alone dollars, fuel, or food). The paper is also more or less Keynes' last statement on Britain. Two months later he died in his little bed destroyed by the prevailing 1945 negotiations for the \$3,750m. American loan (barely \$300m. at the then exchange rate of \$4.03 to the pound).

Mr. A. B. C. Harrison has resigned as a director of DALGETY the company. Mr. John A. Beaumont has joined DALGETY AND SUTHER stockbroker, as an associated member of its Harrogate office.

Mr. P. A. Halg has resigned from the Board of ESTATES PRO...

It's a spectacular! OPENS TOMORROW! BOAT SHOW '77 EARLS COURT 6th/16th JANUARY. The 23rd London International Boat Show is a real summer tonic in the middle of winter. In a setting of sun and sails, it's like a trip to the coast for this magic wonderland of boats, equipment and accessories, finds its harbour there at the exciting new boating and leisure centre of Brighton Marina. It's a gateway place for everyone, a perfect haven for boating with features of interest for all the family. Open every day 10.00am-6.00pm. Saturday and Sunday 10.00am-5.00pm. Admission: January 6th and 7th, £2.00. All other days including Saturdays and Sundays £1.00. Children under 14 half price. (All prices include VAT).

Incorporating THE FINANCIAL NEWS
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Ray Dafter and Peter Riddell study the role of oil and gas in helping Britain's payments problems.

The North Sea at the centre of Mr. Healey's strategy

The priorities for 1977

MR. JACK JONES said this week that, in return for the acceptance by most working men and women of real cuts in their standard of living, businessmen should commit themselves immediately to large-scale and widespread investment in industry.

Production Continuity of production and greater efficiency in production—these should be the priorities for unions and management in 1977.

China pins its hopes on Hua

IN SPITE OF the continuing instability in China, it seems that the worst of the political turmoil is over. The Chinese leadership now seems anxious to put this view across to the west as it has been in the past few weeks to picture the country as in the grip of "evil plotting of Mrs. Mao and her radical gang of four."

Economic goal A buoyant Hua Kuo-feng has allowed his portrait to be blown up for public display to the same size as that of Chairman Mao.

THE CRUCIAL importance of the development of North Sea oil and gas for Britain's hopes of economic recovery over the next few years has been spelt out nowhere more clearly than in Mr. Denis Healey's letter of application for the \$3.9bn. loan from the International Monetary Fund.

Mr. Healey himself has somewhat loosely described the IMF standby as a "bridging loan" until the benefits from the North Sea flow through.

Although the non-oil account is also expected to improve significantly in this period as an eventual consequence of last year's fall in the value of sterling, the North Sea programme accounts for a sizeable part of the projected improvement.

EXTERNAL PAYMENTS: IMPACT OF N. SEA OIL AND GAS

Table with columns for years 1972-1985 and rows for OIL and GAS. Includes sub-headers like 'Treasury estimates (£M. at current prices)' and 'OIL'.

the balance of payments of North Sea oil alone could add up to a total of more than £50bn. over the next decade. Such benefits could not have come at a better time, as Britain's current economic position clearly shows.

But before examining in more detail the impact of this home-produced oil on Britain's balance of payments, a couple of factors should be stressed. First, the production figures are based on the assumption that the Government will not be too restrictive in its North Sea policies.

Through recent legislation future Energy Secretaries (currently Mr. Anthony Wedgwood Benn) will be armed with a number of possible controls over the rate of extraction, exports and refining.

Many sectors of the offshore market—currently has no capacity to provide the type of sub-sea trunkline pipework demanded by offshore operators. Whether the ESC enters this market is a moot point; at present it is reviewing the position.

MEN AND MATTERS

Taylor exits from Italian International

One of the bright ideas of the consortium banking years, Italian International Bank, yesterday announced that its managing director, Russell Taylor, had resigned, relinquishing duties as chief executive and general manager.



Felker fights for his Voice

There is an irony in the desperate efforts being made by Clay Felker, founder and editor of New York Magazine, to fend off the takeover of the company by Rupert Murdoch.

Dutch aid

Dutch Independent MP, Dr. Govert Nooteboom, is urging the Dutch Government to buy whatever British Petroleum shares the British Government should want to sell on the market.

If you see things our way, New Zealand's a big place.

Advertisement for The National Bank of New Zealand Limited, featuring a cartoon illustration of a man holding a large globe.

SOCIETY TO-DAY: TROUBLED RACE RELATIONS

Not quite all got up by the Press

BY JOE ROGALY

SEEN FROM the standpoint of a German who must live with his own country's past, Britain looks pretty well to Professor Ralf Dahrendorf, the Director of the London School of Economics, as he told us in his "kind of cheer-up piece for the New Year" on this page last week. "The fact that Britain is essentially one of its basic strengths," he wrote. It is true that there is much to be ashamed of in Germany's past. The question is, are we in Britain heading for a future of which succeeding generations in this country will be ashamed?

In the mood in which 1976 dawned, a close many people will dwell in the affirmative, and several different reasons why might be given. Some might fear a suffocating "corporate state"; others a burgeoning totalitarianism of the Left; or, more likely, the Right; yet others a spell of worsening national poverty and social unrest that leaves the country truly ungovernable. With such speculation, one guess is as good as another and all may be wrong. What is not so easy to brush aside as mere talk, however, is the continuing development of racial ill-feeling on these islands.

This may not presage a future anything like as horrendous as the Nazi past, and there is certainly no evidence of anything of the kind that yet—but who can say that no future Government will how to the pressure for "voluntary repatriation," with the inevitable consequence that what begins as "voluntary" soon becomes "compulsory," and the very likely additional consequence that those who wish to bulge or threaten the lives of "immigrants" will feel

that such actions are socially acceptable when the leaders of the country are using the law to kick their victims out? I do not wish to exaggerate. We are not on the brink of such a disaster; the National Front, for all its advances in local elections, is still unlikely to do well enough to save the deposits of most candidates it puts up. Yet the fact remains that the ingredients are: these, and hardly anyone is doing anything about it. There was a little flurry last summer when Gurdip Singh Chagger was stabbed to death in Southall and a period of comparatively minor racial violence ensued, but for the most part our political leaders keep well away from an issue of which they are deeply afraid, in the hope that it will go away.

Warfare
It will not. Although one part of our Kingdom has now been torn by murderous tribal warfare for most of this decade the cause of its troubles seems to be ascribed by the rest of the country to a peculiar quirk of the Irish; what does not seem to be recognised is that it is quite possible that another kind of tribal warfare may break out elsewhere. For the attitudes that breed racial contempt still prevail in Britain, and where there is contempt there is a willingness to do violence to the whole classes of people, as any German can attest.

These insensitive attitudes are to be found everywhere, in all parts of British society. There is the endless grating in every town and city. On the television screen, the cheapest, joke is always one about a West Indian or a "Paki" and the repeated excuse that Alf Garnett and his

imitators expose racists as mindless louts cannot be accepted, without independent proof, especially when everyday experience suggests that it is just this kind of "comedy" that sows the seeds of contempt for non-whites in too many breasts. The BBC may have satisfied itself that Garnett is harmless, but that should not be the end of the debate. For our culture seems to be in the end at least a mild bout of racial fever, even though many people would deny this with the assurance that they will talk about "being swamped by the black invasion."

I say "seems to be" because in this matter what is really needed is hard academic study, preferably in conjunction with the BBC and Independent TV researchers, but if necessary without them. The "race relations industry" is big enough, and well-funded enough, to sponsor a fresh piece of comprehensive research into the extent of racial bias—conscious or unconscious—on the television, perhaps some additional work on its effect on the behaviour of both the host community and the new Black British. Such research should not confine itself to the news and current affairs programmes, but take in plays, comedies, and general entertainment as well.

There was a time when it would have been extremely difficult to mount such a project, because the television companies—and most notoriously the BBC—guard the transcripts of "their" property with great jealousy. How any piece of paper produced by a publicly-funded corporation can be regarded as anything but public property is debatable, but the question is less urgent now that a moderately-funded research group can take its own video-

POWELL'S WARNING
Another race-war warning by Enoch Powell SHOCKER

IMMIGRANTS—HOW BRITAIN IS DECEIVED

At this point someone might reasonably interject—what about the newspapers? These are easier to research; you can merely look up the cuttings and write your commentary around them, although more is needed to support theories about the effect of what is published. It can nevertheless be a useful exercise, and Mr. Peter Evans, Home Affairs Correspondent at The Times, has done it for the Runnymede Trust. The result, a new pamphlet? out to-day at the stunning price of £1.30 for 38 pages, is an account of how the newspapers reported some of the words of Mr. Enoch Powell, wrote up the case of the two homeless Asian families which were accommodated by West Sussex County Council at a four-star hotel at

IMMIGRANTS RACKET ROW
POWELL IN RACE LEAK STORM

'Guns soon' in new Powell race assault

of £600 a week, and described the Southall disturbances, all of which took place in the first half of last year. Mr. Evans writes that his account "illustrates how Mr. Enoch Powell, with the aid of Government secrecy, cleverly manipulated the Press, helping temporarily at least to destroy racial peace." That bit about "Government secrecy" refers to the Hawley report on potential Asian immigrants which Mr. Powell produced as a "scoop" of his own last May—but I would dispute the wryly "cleverly manipulated." Mr. Powell, a practised politician, certainly knows how to make his speeches quotable, how to time their release, and how to choose items that stand the best chance of making the front pages, but that is the job of anyone who seeks a rapport

The accompanying montage of front pages of May 25, taken from Mr. Evans's pamphlet, shows how something like the Hawley report can be given a status that subsequent investigations have served to diminish. But does the initial trumpeting constitute a collective incitement to racial hatred? If so is this the work of Fleet Street alone, or the newspapers plus the far more widely received television news services? There is little doubt, from the evidence in this pamphlet and elsewhere, that the Fleet Street does not often heed the excellent advice given by Lord Devlin calling for self-restraint in racially-sensitive areas: "The only safe rule for every editor is to send the grass right out of the orchestra and play it on the strings." This is an aspect of my trade of which I cannot feel anything except shame, but the pressing question remains: what is the actual effect?

For there is another side to the story. The Independent Television News does have a black reporter, and the service has rightly shied to him even though sometimes viewers in some parts of the country let it know that they do not approve. Some programmes try to put the positive side of race relations first. Mr. Evans himself records the extensive coverage given by the newspapers to the call by the Archbishop of Canterbury for racial harmony.

It is important to be clear about this. Newspapers and broadcasting authorities have their failings, and these should be shown up—preferably by rigorous research—in an effort to spread the gospel of self-restraint among all journalists. That, of course, is as far as

Attitudes

The second reason why corrective action should be limited in the promotion of self-restraint in newspapers (broadcasters work through charters from the Government) is that much of what Mr. Evans describes, and others witness, is sad to say, a reflection of general social attitudes. Jokes against non-whites are only worth telling if people laugh at them. Scare stories about immigrants are only sold if people want to buy. It is what one sees in that great mirror—the newspapers and the television screen—that makes one wonder about Professor Dahrendorf's talk of a secure history at a time when the fertile soil for a much less secure future is apparently not well prepared. But then it is a characteristic of the British that they never take much notice of such things until it is too late. Publish and be damned? by Peter Evans: Runnymede Trust.

Letters to the Editor

Nuclear power development

From Sir Stanley Brown.
Sir—As a retired chairman of a nationalised industry I normally avoid allowing the idiosyncrasies of our governments to disturb me too much but the latest activities of Mr. Storer regarding the Windscale developments move me to protest.
If politicians insist on intervening in management decisions—and I accept that in a minority of important cases they must—then they must learn that decisions have to be made and not progressively postponed. Someone once said that "no decision" was in itself a decision, and in the nuclear case this is unfortunately proving itself true. For instance, the decision on the future type of nuclear reactor could and should have been taken about 1970 and would in fact have been taken had not the politicians intervened. Now, six years later, it is still open. The only new fact which has emerged during this wasted six years is the initial (and as a hard-headed engineer I emphatically insist) but nevertheless realising success of the first of the much-maligned advanced gas-cooled reactors at Hinkley Point. Had this country, in view of their intervention this means the politicians, had even a modicum of courage, there was then a unique opportunity of initiating a truly international programme of development on gas-cooled reactors, a programme in which the U.K. with its incomparable knowledge and experience in this generic type would have taken a natural lead. That opportunity has now gone.

It now looks as if the Windscale development is following the same story and a few more hundred millions of profitable and highly significant pioneer business is to be thrown away. Make no mistake, the large scale development of nuclear power is both necessary and desirable. It is in fact inevitable unless either civilisation cracks or the world is prepared to revert to cooking over cow-dung fires and reading by candlelight. Nuclear power is in fact ushering in a second Industrial Revolution and this country contracts out of that at its peril. I repeat, if politicians insist on intervening in management decisions then for heaven's sake let them make decisions and stop having. Stanley Brown (ex chairman of the Central Electricity Generating Board), Cobblers Hill, Compton, Oxford, Gloucestershire.

Letters to the Editor

Trustees and dividends

From Mr. J. Little.
Sir—As a trustee, I should like to comment on the points made by Mr. Ralph Instone (December 21).
In the first place, although, of course, trustees must monitor carefully the quality of their equity investments—having regard to all the circumstances obtaining at the time—the fact that they have a duty to provide income for their life tenants means that they have to have a regard for, and place great emphasis on, dividends rather than profits. A company might be very successful, but, for various reasons, might decide to plough back most of its profits. Such a company would not be very attractive for trustees who have to balance both the capital and income aspects of their trusts, not by any means always an easy task. I therefore think it is quite right and appropriate for the 1961 Act to put the emphasis squarely on the maintenance of dividends.
The 1961 Act lays down that dividends must have been paid for five consecutive years at the time of investment, but where it fails, in my opinion, is that it does not stipulate any minimum rate of dividend. This minimum should not be so low as to be trivial or derisory and not so high as to inhibit the trustees' room for manoeuvre. What the minimum rate should be is a matter for argument, but I would suggest 5 per cent. as the lower limit and 10 per cent. as the upper for the minimum rate.
Again, the stipulation in the 1961 Act of £1m. capital has now in all probability been overtaken by inflation and it could be argued that this should be increased to £2m. £3m. or even £5m.
With regard to the power to retain, this is standard practice in many wills and was particularly useful where these were made under the mid 1920s Act which prohibited any investment in equities. In the trust in which I am interested some of the investments subject to a power to retain were put into the special range of the 1961 Act.
I quite agree with Mr. Instone that our trustee should invest in

Reintroducing Schedule 'A'

From The Chairman, Industrial Milk Supplies.
Sir—Bernard Kitroy's suggestion (December 24) that the abolition of Schedule "A" has caused the decline of privately owned property is really quite remarkable. Most landlords, I think, would blame rent control and the counter attraction of heavily subsidised council houses.
In my view, however, his other contention, that the reintroduction of Schedule "A" is justified on the grounds that owner-occupiers do not have in pay rent is equally specious. Those who own motor cars, washing machines and colour televisions do not have to pay rent for them, do they? If so, why should they pay for TV and would it not be equally "justifiable" to reintroduce a tax on these and many other items of capital equipment that are in current use today? W. S. Roe, Weymouth Road, Eccles, Lancashire.

Mortgages for the future

From Mr. D. Porter.
Sir—It does not seem to be generally understood that building societies are, on the whole, making advances available to their investors; hence it would be almost impossible in the immediate future and, no doubt, in the long term, unless the economy improves, for an individual to obtain a mortgage, unless he has funds with which to build a society to which he applies.
It strikes me that there is a considerable opportunity for the building societies to increase their funds, without having to rely in any way upon the interest rates offered—that is that the attraction of the investment is the availability in the long-term of a "mortgage" rather than the interest rates which are being

Letters to the Editor

Punch-drunk on holidays

From Mr. S. Scammell.
Sir—It is not in dispute that our current rise arises wholly from the fact that we insist, year after year, in consuming more than we produce. One might have supposed therefore that when in order to undo what Providence has done. And many companies in consequence then elect to join the holidays together by closing down for three more week-days making six in all. The year's production is thus cut, and inflation increased by about 2 1/2 per cent.—at a time when the Government is disrupting its policies in a most perilous fashion in an endeavour to limit their inflationary repercussions to 1 per cent.
No least criticism is made in the House of Commons—or the Press. If we are all as punch-drunk as this are we fit to vote? S. E. Scammell, East Knyle, Salisbury, Wilt.

Joys of being a councillor

From Mr. R. Richardson.
Sir—May I comment on Mr. Forsyth's letter of December 24? It can be assumed that councillors enjoy their work or they would not indulge themselves in being elected to the council and, having arrived, probably appreciate the feeling of power and the publicity which goes with the job and expenses to boot.
Many people give freely of their time in different ways, helping the underprivileged for example, but they enjoy doing this and regard it as a pleasurable and rewarding hobby and ask for nothing more.
Good fortune Mr. Forsyth but there is really no need to go in such lengths to justify what I would regard as a satisfying and enjoyable hobby.
Regarding patriotism please remember we also serve who only stand and pay.
R. C. Richardson, Southway, Stone Street, Nr. Stroud, Glos.

Trustees and dividends

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I quite agree with Mr. Instone that our trustee should invest in

To-day's Events

GENERAL
Treasury issues figures of U.K. official reserves for December.
National Economic Development Council meets.
Talks re-open between National Coal Board and National Union of Mineworkers on miners' demand for early retirement.
CBI Smaller Firms Council and South West Regional Council meet.
Proceedings begin for extradition to Singapore of Mr. Jim Slater and Mr. Richard Farling, Hosiery Road Court, S.W.1.
Final day of Oxford Farming Conference. Theme is "A Strategy for Farming Prosperity".
Council for Education in World Citizenship conference on "Order in a Changing World".

blion, Gibbons Gallery, 309 Strand, W.C2 (until January 31).
Jewellery Through 7,000 Years, British Museum, Bloomsbury, W.C1 (until February 11).
Pompeii AD 79 Exhibition, Royal Academy of Arts, Burlington House, Piccadilly, W.1 (until February 27).
"A Tonic to the Nation": 25th anniversary of Festival of Britain 1951 Exhibition, Victoria and Albert Museum, Exhibition Road, S.W.7 (until April 3).
Seventy-five Years of British Submarines, National Maritime Museum, Greenwich (until Easter).
SPORT
Tennis: British covered courts junior championships, Queen's Club.

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£4	£16633	£30538	£78722
£8	£33266	£61076	£157444
£16	£66533	£122152	£314888
£32	£133066	£244304	£629776
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The 'in or out' argument

From Mr. G. Tinley.
Sir—It is not unknown for Martin Paterson (December 29) to issue the most deceptively challenging argument in terms of sweetest reason. And how sweetly reasonable is his proposition that the Castle pension scheme is the embodiment of a superior management. Take him at face value and no employer could really contemplate contracting out. But however valuable a special pleading may be in isolating and sharply defining a particular aspect of the argument, one must beware the danger of over-implification.
Specialists in the pension world will agree on two aspects of the "in or out" argument. First the financial terms offered

ional Bank AND LIMITED

COMPANY NEWS + COMMENT

Esperanza's record £2.75m. at midway

ON TURNOVER some £5.9m. higher at £15.85m. pre-tax profits of Esperanza Trade and Transport jumped from £1.05m. to a record £2.75m. for the six months to September 30, 1976.

Earnings are shown to be up from 6p to 13p per 12½ share and the interim dividend is raised from 1.6p to 1.8p net. Last year's total was £5.48m paid after pre-tax profits of £2.92m. from earnings of 15.1p.

HIGHLIGHTS

With few companies reporting results, the main focus has been on continuing activity on the takeover front. Rank Hovis McDougall is to pay £13m. for Rad Wing Inc. which manufactures and distributes food in the U.S. Another acquisition in the U.S. is by Wm. Mallinson and Denny Mott which is to pay £2.1m. for Thompson Mahogany. But the move that created the biggest stir on the Stock Exchange was London Brick's 125p cash bid for Croydex. Before the bid, Croydex was at 65p. As we point out in our comment, London Brick has nearly doubled the £33m. needed in cash. We also comment on the 158 per cent. profits rise at Esperanza Trade and Transport, and the impact of a major new agency agreement on Diploma Investments.

S. Heath up to £174,000 at midway

TAXABLE PROFIT more than doubled from £31,500 to a peak £174,000 on sales up from £1.7m. to £1m. at Samuel Heath and Sons for the half year ended September 30, 1976. Tax was higher at £90,000 against £42,000. Demand for products continues to run at a very high level, particularly in the export field, and currently shows no signs of abating, the directors state.

It is vital to the survival of Glenmurray Investment Trust that money supply be controlled, inflation reduced, interest rates brought down and a climate provided in which manufacturing industry can expand and thereby create the wealth upon which its future prosperity depends, says Mr. A. A. Lumden, chairman.

Mr. David Williams, managing director of GS, said that the move would considerably strengthen Giltspur's position in the U.S. freight market. Fritz has more than 50 offices in the U.S. Coincidentally with the agency link-up, Giltspur announced details of a survey of transatlantic freight traffic the company is currently undertaking. The survey is looking at the movement of cargo between the U.S. and the U.K. in connection with five major industries.

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per cent. It is intended that Guy Butler (Canada), Toronto will join the partnership in the near future. Garvin Bantel is involved in all aspects of domestic money market operations in the U.S. and through its membership of the New York and American Stock Exchanges is actively engaged in all forms of securities and bond trading.

Busy start at United Wire

Currently all sections of United Wire Group are busy, says Mr. Anthony Green, the chairman, in his first annual report, but whether the present trading conditions will continue is largely dependent on the measures the Government takes to generate and sustain confidence in the economy. If they are successful, we should see a further improvement in the group's performance this year," he tells members.

With interest rates at their current level, it is difficult to justify major new investment, and this is inhibiting the development of some of the interesting possibilities. It is hoped, however, that the group will be able to pursue these when conditions are more favourable. The long term potential of these operations which are contributing to profits, are also being assessed.

As reported on December 3, pre-tax profits recovered from £0.55m. to £1.1m. in the 33 weeks to October 2. The dividend is 4.2p (3.7p) net per 25p share paid from stated earnings of 6.4p (4p).

During the year the parent company's Swiss Franc Loans of Sw.Frs.3.85m. was repaid. The loss arising on the repayments, together with the additional provision necessary on the Swiss Loan to the South African subsidiary, were balanced by the compensatory gains on the consolidation of overseas assets. The balance of the South African Loan amounts to Sw.Frs.1.56m., and is repayable over the next three years. Early repayment is not permitted.

A statement of source and application of funds shows an increase in overdrafts of £3.2m. (£0.27m. decrease) and a decrease in loans of £0.83m. 10.2m. increase.

Whitbread Investment Company has a 23.7 per cent. interest in the company. Strong demand for traditional draught beer and lager during the summer pushed sales of own-brewed beers up nearly 10 per cent. from the year before. On the other hand continued to decline and the bottling plant output fell by about 15 per cent. This spare capacity has been taken up by the production of minerals which have proved popular, says Mr. Ledger Hill.

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Diploma's growth in electronics

A SHARP increase in sales, from under £2m. to nearly £3.5m., is reported by Macro-Marketing, the electronic component distributing subsidiary of Diploma Investments, for the half-year ended December 31, 1976. Current profitability indicates that this division's target of £1m. profit for the year could be "comfortably exceeded" say the directors.

Macro-Marketing is part of Diploma's industrial distribution activity which contributed £1.1m. to the company's £2.51m. profit for 1975-76. The subsidiary, which distributes semi-conductors in the U.K., has just been appointed main distributor for Motorola electronic components.

Although the electronics industry is not buoyant there is currently a higher demand for its technology than exists across the whole of industry. It is likely that distributors will collectively increase the share of the market which they supply currently in the region of 15 per cent, the directors add.

Diploma Investments' latest statement appears to confirm that the growth trend, apparent last year when profits jumped by 28 per cent. pre-tax, is continuing in 1976-77. Macro-Marketing is one of the most important companies in the industrial distribution division, accounting for around 30 per cent. of group profits in a normal year. So the forecast of over £1m. from the electronics division this year could mean an addition of maybe £0.2m. to the total pre-tax level. This would mean an overall pre-tax rise of around 9 per cent. for the year and, given the currently strong balance sheet (debt at the end of last year was only £19,000 net, against funds of £8.2m.), the shares at 57½, where the maximum yield should be around 9 per cent., look firmly based.

Significant new U.S. agency arrangements have been established by Giltspur Shipping. The main development is the extension of Giltspur's air freight agreement with the Fritz Group

of companies to include surface freight. Mr. David Williams, managing director of GS, said that the move would considerably strengthen Giltspur's position in the U.S. freight market. Fritz has more than 50 offices in the U.S. Coincidentally with the agency link-up, Giltspur announced details of a survey of transatlantic freight traffic the company is currently undertaking. The survey is looking at the movement of cargo between the U.S. and the U.K. in connection with five major industries.

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DIVIDENDS ANNOUNCED

Company	Current payment	Date	Corporation tax	Total	Total last year
Caplan Profile	2.75	Mar. 16	1.5	4.25	4.25
Esperanza	2.75	Mar. 16	1.5	4.25	4.25
Geevor Tin	1.8	Jan. 31	0.0	1.8	1.8
H. Samuel	2.15	Mar. 4	1.85	3.75	3.5
Winterbottom	2.15	Mar. 4	1.85	3.75	3.5

Dividends shown pence per share unless otherwise stated.

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Healthy start at CMT

ANY FORECAST of the current year profits at Central Manufacturing and Trading Group must be approached with some caution, says Norman Heckman, the chairman, because the upward trend in the U.K. economy as a whole has not yet been fully confirmed.

Despite this general uncertainty both sales and orders on hand show a healthy increase and subject to the successful containment of costs, a year of steady progress and improvement is envisaged.

In fact the new financial year started encouragingly with profits to date exceeding those of the corresponding period last year. The forecast for the first half-year look good, he tells members.

Over the last three years the group has progressed through a period of consolidation after a series of acquisitions. We feel that we have now built a base for further growth and are developing both internal resources and seeking expansion by acquisition where it is suitable to do so.

As reported on October 27 pre-tax profits increased from £3.26m. to £3.83m. in the year to July 31, stated earnings were 9.3p (10p) and the dividend 2.38457p (2.18741p) per 10p share. Meeting at the Savoy Hotel on January 25 at noon. Chairman's statement Page 16

Devenish apprehensive on price rises

Though it is too early for the Dorset-based brewery group J. A. Devenish and Co. to forecast the outcome of the year, Mr. C. Ledger Hill, the chairman, says he is "apprehensive" of the effect of price rises which may be forced on it by increased raw material costs and general inflation.

As reported on December 10, after a depressed first six months, a second half recovery took the taxable profit up from £1.05m. to £2.75m. on sales of £15.85m. for the 33 weeks ended October 1, 1976.

Cash on short term deposit and in hand was up at £0.99m. (£0.22m.). The increase in working capital was lower at £0.24m. (£0.43m.).

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MINING NEWS

BP buys sea venture stake from RTZ

RECENT rumours of a link between British Petroleum and Rio Tinto-Zinc may be possible, says the news that BP has purchased half RTZ's 20 per cent. stake in a five-year deep sea mining project. The venture is managed by America's 50 per cent. interest, Consolidated Gold Fields, Mitsubishi and Noranda each has a 10 per cent. stake.

No financial details are disclosed but it is understood that BP has paid its portion of RTZ's share of past expenditure on the project, the total development in the depths of which could reach \$50m. (£29m.) by the time it reaches the technical evaluation stage. In order to develop its interest in this and other mineral ventures BP recently formed a new organization (BP Minerals).

The undersea project was launched in early 1974 and involves a major research and development programme to determine the feasibility of mining manganese nodules from the deep-sea bed. Experimental exploration has been carried out in the Pacific where nodules containing manganese, nickel, copper, cobalt and molybdenum are regarded as a significant new source of minerals.

LAURASIA SELLS GOLD PROFITS

One of the smaller mining hopefuls, Laurasia Resources, is the only Canadian company with a producing gold mine in South Africa. The managing director says that Laurasia's Minador operation "will enjoy substantial profits in 1977, particularly in the second half of the year when the mill will be able to treat 5,000 tons of ore per month." At present 4,000 tons a month are being treated.

Among its other interests, Laurasia has a uranium property at Mont Laurier in Quebec which is being examined by Pancontinental Mining, the latter being entitled to earn up to a 50 per cent. interest in the venture. Results of the initial work there, however, are still being examined. Laurasia was 32p yesterday.

ROUND-UP

Israeli diamond exports have hit a record \$700m. (\$412m.) for 1976, of which \$140m. represents net foreign currency earnings, according to Mr. Moshe Schmitzer, president of the Israel Diamond Exchange. He also announced that an international diamond congress is to be held in Tel Aviv in 1978.

Australia's Emperor Mines may have to close its Fiji gold operations if the bullion price does not rise to a price of \$140-\$150 per ounce being needed to return to profitability.

MINING BRIEFS

NEW GUINEA GOLDFIELDS—Production for week ending December 12, 1976. Golden Ridge Mill: Mined 11,344 tonnes of ore. Fine gold produced, 524.6 ounces. Fine silver produced, 637.92 ounces. Edie Grey Mine: Mined 1,838 tonnes of ore. Fine gold produced, 34.7 ounces. Ivaia Sava Mine: Mined 1,838 tonnes of ore. Fine gold produced, 34.7 ounces. Ivaia Sava Mine: Mined 1,838 tonnes of ore. Fine gold produced, 34.7 ounces.

Sime Darby settlement endorsed

Shareholders of Sime Darby Holdings have endorsed without dissent the settlement of the Boardroom dispute which was agreed on earlier this month. A way for the resolution of the dispute between the previous, Roxas, Mr. Anthony Somner, and largely British, Board and the Malaysian State-owned Pemas, a new consists of 12 members, of whom five are British.

Kingdom of Saudi Arabia

Wadi Sawawin Iron Ore Exploration

British Steel Corporation (Overseas Services) Ltd. are preparing an initial one year programme which will involve the core drilling of approximately 20 holes totalling about 2500 metres in the Pre-Cambrian Iron formation of NW Hejaz in mountainous country under desert conditions.

This initial programme is likely to be followed by further drilling. Companies interested in receiving detailed specifications should apply by telex before January 15th, 1977 to: D.R.F. HILL, BSC (Overseas Services) Ltd., 151 Gower Street, London. Telex No. 265123

THE MOSS ENGINEERING GROUP LIMITED

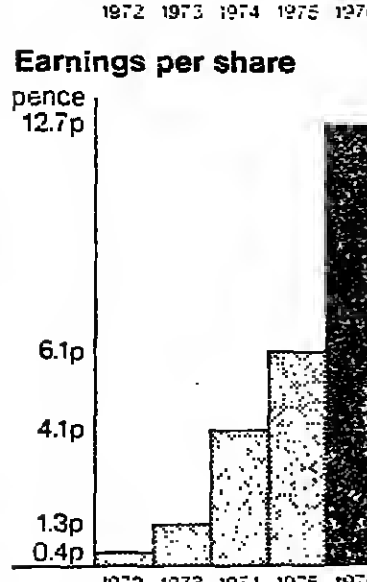
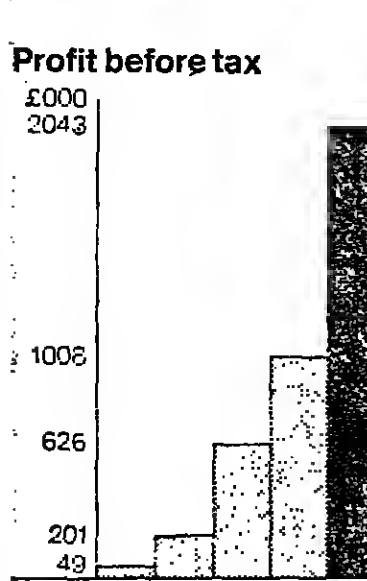
Profits break through the £1m

At present our internal budgets suggest the current year will produce results similar to its predecessor. On earlier occasions I have referred to our ability to bring the best out of difficult situations and having done this in 1976, we have a fighting chance of producing further growth from 1977. In terms of both the present and the future, the Group is in good order, indeed we look forward, with eagerness, to the programme we have set ourselves.

ERNEST CARBON
Chairman and Managing Director.

Redman Heenan International Limited

"The group achieved a much more balanced performance than in the past"



- Extracts from the Review by the Chairman Mr Angus Murray
- 6 The improvement in profits now reported reflects... a continuation of benefits derived from better marketing, more efficient organisation and tighter control of working capital!
 - 6 Overall the group achieved a much more balanced performance than in the past with previous loss makers returning to profits, marginal performers showing improvement and profit makers maintaining their position under the conditions which prevailed!
 - 6 The diversity of engineering activities within the group has proved to be a source of strength in 1976 and should continue to stand it in good stead for the future!
 - 6 Increased investment in both product development and capital equipment has been planned for 1977!
 - 6 Under the management of the Chief Executive, Mr. E. Brian Gould and his team, progress will be maintained and the group can be expected to continue to grow with enhanced job opportunity and security for employees at all levels!

The activities of the group include: the design, manufacture and supply of specialised engineering products and ancillary services, including hydraulic and mechanical presses, cylinders, dynamometers and test plant, waste handling and incineration plant, drives and couplings, steel and aluminium flooring systems, conveyors, mixing machines, metal working equipment, coil handling equipment, packaged cooling towers and a wide variety of precision tooling.

Results in brief for the year ended 30th September	1976	1975
Turnover	28,889	23,757
Profit before tax and extraordinary items	2,043	1,008
Dividends per Ordinary share (gross)	2.5p	1.54p
Earnings per Ordinary share	12.7p	6.1p
Shareholders' funds	7,210	5,623
Net assets per Ordinary share	46.0p	35.4p
Borrowings as a percentage of shareholders' funds	17.3%	55.9%

To: The Secretary, Redman Heenan International Limited, PO Box 29, Shrub Hill Road, Worcester WR4 9EQ.

Please send me a copy of the 1976 Report & Accounts.

Name _____

Address _____

BIDS AND DEALS

London Brick agrees £4m for Croydex

London Brick has made an agreed bid of 125p cash per share for the 33 per cent of the capital it does not already own in Croydex, a manufacturer and distributor of household and garden products. The offer is worth £3.74m and values Croydex at £4.06m.

WHITECROFT REVIEWING FORECAST

Clues to the likely defensive strategy of Whitecroft, the textile concern for which Hanson Trust has made a 122p a share cash bid were given over the week-end by the Whitecroft Board, which had earlier indicated the offer as totally inadequate.

The Whitecroft directors, advised by J. Henry Schroder Wagg, said they were currently reviewing their forecast of profits for the year to March 31, 1977, and also their dividend policy. The bid, they stated, substantially undervalued Whitecroft both as regards current and prospective earnings and the net assets of the group.

Whitecroft predicted early in December that profits for 1976-77 would show a satisfactory increase and be a record for the group. A total dividend of 7p a share was forecast at the time of the £1.2m rights issue in July.

A further statement in promised after full details are published of the offer by Hanson, which already holds 25 per cent of Whitecroft. Meanwhile, shareholders are advised to take no action.

Reference to the proposed offer for Whitecroft from Hanson Trust in Friday's Outlook column suggested that Whitecroft had forecast earnings per share of 7p. In fact that forecast (made in July) referred to dividends of 1976-77. Actual earnings last year totalled 13.67p.

SW INSURANCE MOVES

The general insurance business of Slater Walker Insurance has now been transferred to Continental Casualty, the U.K. subsidiary of CNA, a leading U.S. insurance group. Sir James Goldsmith, chairman of Slater Walker Securities said yesterday that the U.S. company had taken over the entire business of Slater Walker, but the offer price is still well ahead of recent market prices—nearly double the 1976 price and 50 per cent up on the bid for the past year. LG should easily cover the £33m cost from its own resources; cash in the last accounts equalled £7.8m, and the company is presently higher now—at the interim state investment income was £434,000 against £274,000 in the previous six months. With the family holding of around 40 per cent of Croydex, there is company to Trident Insurance, a member of the Schlesinger Group, but not motivated. Slater Walker's intention now is to develop the life business of SW Insurance, by far the larger part of the business within the group. Several new products are being considered, including a closer association with the unit trust arm of Slater Walker, which was relaunched last week as the Britannia Group of unit trusts. The insurance company will be changing its name in due course to a suitable title can be found which will meet with the approval of the Department of Trade.

GRA TRUST SELLS WALTHAMSTOW STADIUM STAKE

Continuing its programme of disposal, GRA Property Trust has sold its 32.58 per cent in Walthamstow Stadium for £411,544. The purchasers are members of the Chandler family who are already controlling the stadium. The GRA holding was originally bought for around £2 per share compared with the disposal price of £12.50. The cost price of the investment appears in the GRA accounts of £247,520. GRA has already stated that it intends to dispose of its holdings in Southend Stadium and in the Coral Leisure group.

OPPOSITION TO BOOKER

Opposition to the 235p a share cash bid for Kinloch (Provisional) Merchants by Booker McColl is voiced in a letter to shareholders from Mr. Douglas Scarff, Kinloch's founder and its deputy chairman up to his retirement in 1972.

Mr. Scarff, who says that another potential buyer may come into the field with a more attractive offer, also states that 30 or so shareholders with nearly 1m shares out of the 3.88m, total have told him they will not be returning the acceptance form. He himself, with 50,000 shares, proposes not to accept the offer. The Kinloch Board, advised by J. Henry Schroder Wagg, rebuffed Booker's first offer of 200p but is recommending the higher 235p bid from Booker's second offer. Mr. Scarff says that if a higher dividend should have been sought, he claims that almost certainly this consent would have been granted. He also suggests that a more liberal dividend policy could help to raise the share price above the value of Booker's bid. The shares closed 1p higher at 236p yesterday.

Mr. Scarff criticises Schroder Wagg's advice and accuses that the Trust's agreement to a much higher dividend should have been sought. He also suggests that a more liberal dividend policy could help to raise the share price above the value of Booker's bid. The shares closed 1p higher at 236p yesterday.

JOHN MOWLEM EXPANSION

John Mowlem has acquired Duke and Ockenden, a private company for £203,000 in cash. Duke and Ockenden manufacture drilling equipment for water wells, open cast mining and site investigation. Of the present order book 75 per cent is for export. Unaudited accounts for the year to June 30 show a consolidated pre-tax profit of £178,000 on sales of £1,020m. Net tangible assets are valued at £500,000 and include freehold and leasehold land and buildings of Littlehampton valued at £182,000. The acquisition is effective from July 1, 1976, and will complement the other companies in Mowlem's recently formed engineering products division.

NEWS INTL

News International yesterday confirmed it has agreed to sell its 45 per cent share stake in Thames Valley Broadcasting, the local radio station at Reading, Berkshire. News made its original investment of £100,000 and took over management control when it was set up in October, 1973. Existing shareholders in Thames Valley Broadcasting include Thames Television with a holding of around 20 per cent, and EMI with some 5 per cent of the shares.

SHARE STAKES

TPC Investments is interested in 1,127,822 Newmann Industries Ordinary shares. Taking into account the recent scrip issue on the issue relating to the acquisition of Agar Cross and Co., this interest represents 12.8 per cent of Newmann Ordinary shares. The interest of Master Securities and Mr. Raphael Denjogly in the Ordinary capital of Montfort (Kilting Mills) has been increased from 391,000 shares (14.65 per cent) as at the date of the annual report for 1976 to 416,000 shares (19.4 per cent). Warren Tea Holdings, a subsidiary of Warren Plantation Holdings, has acquired 481,000 Assam Indonesian Plantations shares, or 17 per cent of the equity. KKT Investments has increased its holding in RKT Textiles to 545,664 Ordinary shares, the interest of Robert Kitchen Taylor and Co. in RKT Textiles has accordingly increased to 2,463,000 shares (73.1 per cent). As at December 31, 1976, the interest of John Mendes (Holdings) in Gordon and Gatch Holdings was 633,948 shares (14.3 per cent). CCI Investments—Mr Gordon A. S. Currie, chairman, and associates have acquired a further 171,000 Ordinary shares in the company. They now own 375,000 shares, amounting to 16.1 per cent of the Ordinary capital.

Amalgamated Stores Argo puts up £1.4m. for rest plans expansion of Williams Hudson

FURTHER property acquisitions are envisaged for Amalgamated Stores, the troubled concern into which it proposed that a £1m. range of properties should be injected by Mr. Frank Phillips, Mr. Leonard Phillips and Mr. Stanley Wise against an issue of new shares which will give them control. Shareholders are being asked at an EGM on January 20 to approve the plan under which the three, all property men, will emerge with some 64 per cent of the enlarged capital. Grayhound Guaranty, a U.K. associate of the big U.S. concern Greyhound Corporation will provide a five-year revolving credit facility of up to £500,000 to finance further property acquisitions. Greyhound will also subscribe for up to £75,000 of convertible loan stock, of which another creditor is taking up £11,000; conversion of all this stock would give a stake of 8.9 per cent in the Amalgamated capital so enlarged.

Mr. Wise, a prospective holder of 12.8 per cent of the proposed increased capital, is a director of Ulveston Leases, a company planned to be injected—along with other properties—into Amalgamated, and of other private property companies. The chief being City and Suburban Sites. It is understood that Mr. Wise and the Phillips brothers plan to carry out the conversion of their own properties to Amalgamated, the storage and shipment of North Sea gas.

Argo Group SA, a private family trust of Mr. David Rowland, chairman of Williams Hudson, is to offer £1.4m. for the outstanding shares it does not already own in Williams Hudson, the transport, warehousing and fuel distribution group. The offer at 25p follows the purchase by Argo Group SA at a similar price of a 3 per cent stake in Hudson held by Surinvest on behalf of clients, bringing its overall stake up to 50.74 per cent. In the summer, Surinvest led a vociferous campaign against the Hudson Board's proposals to write down the company's capital as a prelude to a rights issue. The offer price of 25p values the whole Hudson equity at £2.8m, and is only 1p above the market price of 24p on the day of the announcement on Friday. The shares have been as low as 12p this year. Argo's offer also includes the £1,030m of Hudson 54 per cent convertible loan stock. As this is convertible into 1,322m new shares, Argo points out that any exercise by stockholders of their conversion rights might dilute Argo's shareholding to below 50 per cent of the then voting rights. Assuming that Argo holds no stock and full conversion, the figure would be some 45 per cent, and involve an additional £280,000 of new shares.

The Hudson Board, which holds 6 per cent of the equity, advises shareholders and stockholders to take no action until it has had time to give the offer full consideration. Hudson has recently agreed to dispose of its shipping fleet resulting in an overall pre-tax profit of £2.1m, and a fall in indebtedness of about £30m.

party at an annual rental net £20,000. The sale is in line with the policy of realising surplus used to reduced group indebtedness.

WM. MALLINSON'S £24M. U.S. PURCHASE

Timber group William Mallinson and Denry Mott has bought for U.S.\$3.85m. (approximately £2.6m) the capital of Thompson Mahogany of Philadelphia, a private company engaged in the business of high-quality hardwoods and decorative veneers. The purchase consideration, which is in cash, corresponds to the value of the assets of Thompson which has \$750,000 cash in the balance-sheet and no borrowings of any kind. Pre-tax profits of Thompson are expected by the directors to be not less than \$750,000 (around £440,000) for the year 1976. William Mallinson is to use a line of credit arranged with a local bank to pay for the acquisition. It is expected that Thompson itself, though the profits generated, will be in a position to pay the interest on the loan—maximum rate of interest 7 per cent—plus a proportion of the capital.

NO PROBES

The following proposed mergers are not to be referred to the Monopolies Commission. Standard Chartered Bank/Wallice Brothers and Co. (Holdings), and Lonrho London, City and Westchit Properties.

CHARTERHALL FINANCE

Charterhall Finance Holdings has acquired the whole of the issued capital of Norminol (U.K.) for £250,000 in cash. Norminol is directly concerned in exploration in U.K. offshore areas and its main asset is a one-third of one per cent working interest in Licence P-241 North Sea covering blocks 21/1 and 21/2. The Buckan Field is located in Block 21/1. Norminol A/S has agreed to provide to Charterhall advisory services in respect of these interests. Charterhall, through its investment in C.C.P. North Sea Associates Limited, already holds an indirect 8.47 per cent interest in these blocks. Norminol is not expected to produce revenue until the Buckan Field is brought into production.

PMA DISPOSAL

PMA (Holdings) announces the disposal of its freehold warehouse at Menton, Eccles, Lancashire (net book value £110,000) for £100,000 in cash. The building, surplus to group requirements, was let to a third party.

CALOR GAS IN £2M PROPANE STORAGE DEAL

Calor Gas Holdings, the main subsidiary of Imperial Continental Gas Association, has bought Phillips Petroleum's refrigerated bulk storage for Propane of Felkstone for £2m. in cash. The installation, whose value is set at just under £2m, includes a 30,000-tonnes capacity refrigerated tank. Ancillary equipment enables ships to deliver Propane either fully refrigerated or at full temperature. In addition cargo heaters are available to enable the outward shipment of the Propane. The new purchase will enable Calor Gas for the first time to carry its own gas in stock, rather than relying on leased oil company storage, and to take advantage for its own properties to Amalgamated, the storage and shipment of North Sea gas.

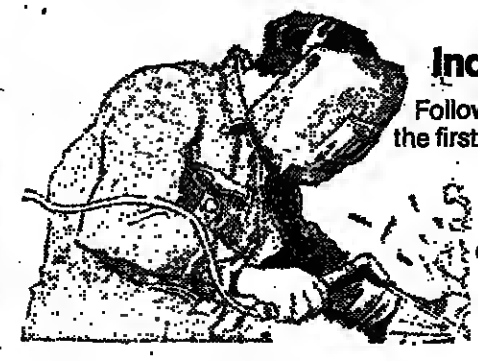
C.M.T.

"Second Half Recovery"

reports Norman Hickman, the Chairman

Despite a difficult trading year with a world recession, both turnover and profits for the year ended 31 July 1976 increased. Turnover amounted to £47,895m (1975—£43,037m.) and pretax profits were £3,529m against £3,264m. The recovery in earnings began midway through the year and continued at an increasing rate, 62% of our profits being earned in the second half. The directors recommend a final dividend of 1.19457p, payable on 29 January 1977, making a total of 2.38457p—the maximum permitted. Close control of working capital and deferred taxation allowances enabled us to invest £1.32m in capital expenditure

and commitments for the current year total almost £2 million. This heavy programme should increase both our return on capital employed and our earnings per share in the future. Over the past three years the group has progressed through a period of consolidation after a series of acquisitions and we feel that this provides a sound basis for further growth. With regard to current prospects the upward trend in the UK economy has not yet been fully confirmed. Despite this uncertainty both sales and orders show a healthy increase and profits to date exceed those of the corresponding period last year. Prospects for the first half year therefore look good.

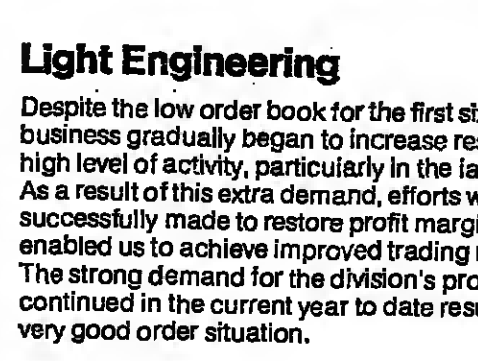


Industrial Services

Following very low trading levels in the first half year, demand increased dramatically, culminating in record sales and orders received during the fourth quarter. The current year has started with an encouraging order intake and a high level of trading.

Metal Processing

Despite considerable fluctuations, general prices rose strongly in the second half of the year and caused problems in obtaining sufficient supplies. Latterly a general market weakness has developed although there is still a shortage of the higher grades of scrap.



Light Engineering

Despite the low order book for the first six months, business gradually began to increase resulting in a high level of activity, particularly in the last quarter. As a result of this extra demand, efforts were successfully made to restore profit margins and this enabled us to achieve improved trading results. The strong demand for the division's products has continued in the current year to date resulting in a very good order situation.



Steel Stockholding

After a poor start, the trading conditions became progressively better and demand improved considerably. Current year trading has continued at a satisfactory level and if conditions remain the same throughout the year the division should achieve creditable results.

The above text is an extract from the Annual Report for the year to 31 July 1976. Copies of the full Report and Accounts are available from the Secretary, The CMT Group, Halesowen Road, Dudley, West Midlands DY2 3NR.

Table with 3 columns: The Year in Brief, 1976, 1975. Rows include Earnings for shareholders, Cost of dividends, Profit retained, Shareholders' funds, Ordinary dividends - actual per share, Net earnings per 10p share.

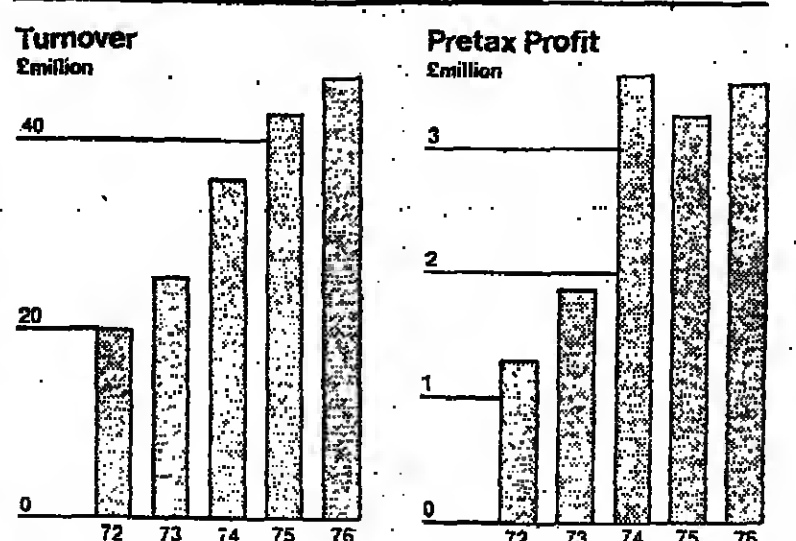
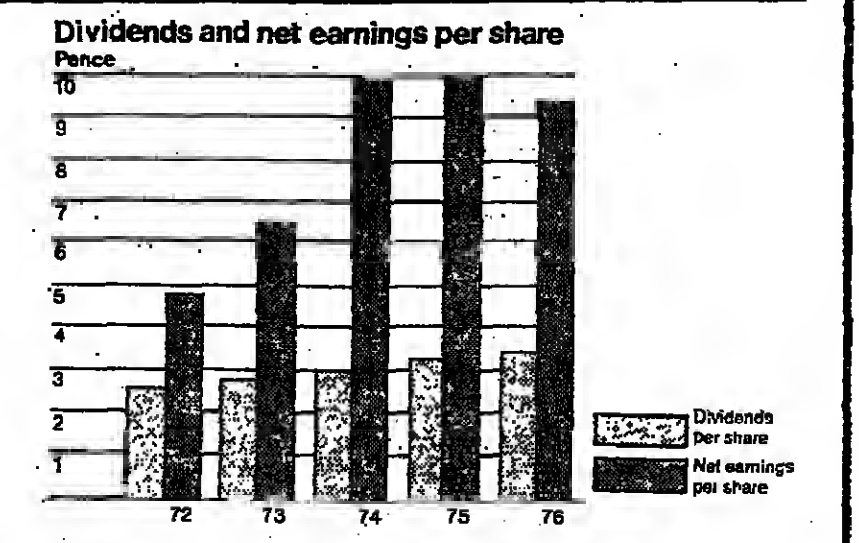


Table titled 'Divisional Analysis of Results' with columns for Sales, Trading profit before interest, and Trading profit. Rows list Industrial services, Light engineering, Metal processing, Steel stockholding, Tubes, fittings and forgings, and a total.

The Central Manufacturing & Trading Group Limited

RECENT ISSUES

Table of recent issues including company names, issue dates, and prices.

FIXED INTEREST STOCKS

Table of fixed interest stocks including company names, issue dates, and prices.

"RIGHTS" OFFERS

Table of rights offers including company names, issue dates, and prices.

FFI TERM DEPOSITS

Deposits of £1,000-£25,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received no later than 31.12.76.

UBAF BANK LIMITED advertisement. Includes text: 'Change of Name. With effect from 4th January, 1977 the name of UBAF Limited is changed to UBAF Bank Limited. Shareholders: Union de Banques Arabes et Françaises—50 per cent, Libyan Arab Foreign Bank—25 per cent, Midland Bank Limited—25 per cent.'

Handwritten Arabic text at the bottom of the page.

FINANCIAL AND COMPANY NEWS

EUROBONDS

Starting in optimistic mood

BY TONY HAWKINS

After a record year in 1976, the Eurobond market is starting the New Year in an optimistic mood. Indeed, the optimism is probably overdone in the days of the old year when...

DSM sees 1976 profits in line with previous year

BY MICHAEL VAN OOS AMSTERDAM, Jan. 4.

DSM, the Dutch state-owned chemicals company, has indicated in Heerlen that its 1976 operating result—profits after depreciation but before tax—rose "somewhat" from the previous year's level of Fls.288.4m.

Akzo falls short of expectation in 1976

By Our Own Correspondent AMSTERDAM, Jan. 4.

MR. HUGO Kraaijenhoff, chairman of the Akzo chemicals group, has said in a new year message to the staff that although 1976 has ended better financially than the previous year, it fell substantially short of expectations.

Special Fiat meeting for Jan. 18

BY PAUL BETTS ROME, Jan. 4.

FAT CHAIRMAN, Sig. Giovanni Agnelli, has called a special meeting of Fiat shareholders to be held in Turin on January 18 to discuss the recent decision to increase the company's capital by 15bn. to L1,65bn.

INGAPORE AIRLINES SIA profit at peak \$533m

BY H. F. LEE SINGAPORE, Jan. 4.

THANKS TO a continuation of the very high capital expenditure, Singapore Airlines (SIA) recorded a record profit of \$533m in the first three months ending November 30.

Air Malta shares deal

BY GODFREY GRIMA MALTA, Jan. 4.

PIA's 20 per cent interest in Air Malta is reportedly being taken over by the Malta government, which already has a majority shareholding in the island's national carrier.

Earnings decline at Salzgitter

SALZGITTER, Jan. 4.

EARNINGS OF the State-owned steel and shipping concern Salzgitter were worse in the 1975-76 year ended September 30 than in the previous year, a company spokesman said.

Air Siam flights

The management of Air Siam said the airline would resume flights on January 5, after a week-long suspension of service that stranded hundreds of holiday travellers in Asia.

This announcement appears as a notice of record only. December 1976.



Empresa Colombiana de Petróleos \$100,000,000 Seven Year Financing

Guaranteed by Republic of Colombia

Managed by N. M. Rothschild & Sons Limited Kuhn, Loeb & Co. Bank of America NT&SA The Bank of Nova Scotia International Limited

Co-Managed by Equibank N.A. European Brazilian Bank Limited - EUROBRAZ Toronto Dominion Bank Trade Development Bank Wells Fargo Bank NA and Banco Cafetero Banco Comercial Antioqueño Banco de Bogotá Banco de Colombia

and Provided by Atlantic International Bank Limited Banco Cafetero Banco Comercial Antioqueño Banco de Bogotá Banco de Colombia Bank of America NT&SA Bank of Montreal Bank of Montreal International Limited, Nassau Bahamas The Bank of Nova Scotia International Limited The Bank of Tokyo Trust Company Banque Canadienne Nationale Banque Française du Commerce Extérieur City National Bank of Detroit Equibank N.A. European Brazilian Bank Limited - EUROBRAZ Fuji Bank (Schweiz) AG The Industrial Bank of Japan Trust Company, Nassau Branch Industrial National Bank of Rhoda Island

International Mexican Bank Limited - INTERMEX Irving Trust Company Lloyds Bank International Limited Manufacturers National Bank of Detroit, Nassau Branch National Bank of North America The Northwestern National Bank of Minneapolis Provincial Bank of Canada Republic National Bank of New York The Riggs National Bank of Washington, D.C. The Sanwa Bank of California Shawmut Bank of Boston NA, Nassau Branch Texas Commerce Bank National Association Tokai Bank Nederland N.V. Toronto Dominion Bank Trade Development Bank Overseas Inc. Union Bank Wells Fargo Bank NA World Banking Corporation - WOBACO

Agent BANK OF AMERICA NT&SA

All these securities having been sold, this announcement appears as a matter of record only.

New Issue \$125,000,000

Diamond Shamrock Corporation

7.70% Sinking Fund Debentures due December 15, 2001

- Kuhn, Loeb & Co. Merrill Lynch, Pierce, Fenner & Smith Incorporated The First Boston Corporation Goldman, Sachs & Co. Salomon Brothers Bache Halsey Stuart Inc. Blyth Eastman Dillon & Co. Dillon, Read & Co. Inc. Incorporated Drexel Burnham & Co. Hornblower & Weeks-Hemphill, Noyes E. F. Hutton & Company Inc. Incorporated Kidder, Peabody & Co. Lazard Frères & Co. Lehman Brothers Incorporated Loeb, Rhoades & Co. Paine, Webber, Jackson & Curtis Reynolds Securities Inc. Incorporated Smith Barney, Harris Upham & Co. Warburg Paribas Becker Inc. Wertheim & Co., Inc. Incorporated White, Weld & Co. Dean Witter & Co. Incorporated Bear, Stearns & Co. L. F. Rothschild & Co. Shearson Hayden Stone Inc. Shields Model Roland Securities Incorporated ABD Securities Corporation Basle Securities Corporation Berliner Handels- und Frankfurter Bank Daiwa Securities America Inc. Robert Fleming Incorporated New Court Securities Corporation Nomura Securities International, Inc. Scandinavian Securities Corporation UBS-DB Corporation A. E. Ames & Co. Incorporated Greenshields & Co Inc Nesbitt Thomson Securities, Inc. Wood Gundy Incorporated

INTERNATIONAL FINANCIAL AND COMPANY NEWS

KemaNord share selling on offer for Sw Match

BY WILLIAM DULLFORCE

STOCKHOLM, Jan. 4.

SWEDISH MATCH A shares closed at Kr.110 after reaching Kr.115 on the Stockholm Stock Exchange today after two days' trading, following the suspension of dealings on December 23, when the KemaNord takeover bid for the group became known. The A shares have put on Kr.20-30 from December 23, while the B shares have risen from Kr.50 to close at Kr.100 this afternoon. Over the same two days the KemaNord shares have fallen from Kr. 290 to a closing price of Kr.268. Demand for the Swedish Match shares has not been as great as expected and the rise in price less than that anticipated by some brokers. The decline in the KemaNord price is thought to be due to selling by shareholders anticipating a takeover of the group. The smaller KemaNord chemicals company is persisting with its offer of one KemaNord share and a Kr.200 convertible bond for four Swedish Match shares, despite the refusal of the Swedish Match board to recommend the offer. The merger would create a conglomerate with sales of close to Kr.70n. Mr. Lars-Erik Thunholm, the Swedish Match chairman, said today that his board hoped to reveal details of its programme to restore the group's profitability in February simultaneously with the publication of the KemaNord takeover prospectus. Swedish Match earnings tumbled from Kr.270m. in 1974 to Kr.71m. last year, while the 1976 account is expected to show a small loss. The corporate planning staff has been working on a recovery programme since last spring, when Mr. Thunholm took over as Chairman. He acknowledged today that Swedish Match had made "some unfortunate investments" over the past few years but the losses incurred in 1975 and 1976 were concentrated in four or five areas only, while the rest of the group was profitable and had growth potential. The disinvestment programme planned would entail the sale or closure of some units and the restructuring of others, either by cut in capacity or by product changes. Some product factories in the board and plywood area had already been sold. The cash released by disinvestment would be used in the first place to pay off debts, which will in any case be reduced by the sales or closures, and to improve the group's equity/debt ratio from its present 27 per cent. towards a target of 33 per cent. There should still be cash available for expansion of profitable areas. Even if the cash inflow from the disinvestment programme was excluded, Swedish Match would face no major financial problems in 1977, Mr. Thunholm said. Meanwhile, it is becoming increasingly apparent that Wilkinson Match, in which Swedish Match has a 33 per cent. holding, figures large in the calculations of both sides in the Swedish takeover battle. Mr. Thunholm confirmed today that Swedish Match has been negotiating further joint ventures with Wilkinson Match, which is already marketing Swedish Match's disposable lighters in North America. Only 2 per cent. of Swedish Match's turnover stems from North America while Wilkinson has about one-third of its sales there. The Swedish company is interested in moving in on Wilkinson's North American set-up, in a streamlining of its South American operations through co-operation with Wilkinson and in joint ventures in other geographical areas. Last week Mr. Ove Sundberg, managing director of KemaNord, singled out the Wilkinson/Swedish Match merger in 1973 as a successful example of what could be done in the consumer products field. Consumer products, in which it markets the Barmansen, Casco and Lijeholm brands, has been the fastest growing division in the KemaNord group and the one which has expanded most successfully abroad. Mr. Sundberg pointed out that Wilkinson Match had a broader range of consumer goods than KemaNord and as operative in more countries. Co-operation with the British company would be an essential element in KemaNord's strategy for Swedish Match, he said.

Sandoz sees rise in U.S. turnover

By John Wicks

ZURICH, Jan. 4.

THE SHARE OF THE U.S. in group turnover of the Swiss-based Sandoz concern will reach some 26 per cent. this year, as compared with about 18 per cent. in 1976. This is stated in a letter to shareholders of Sandoz AG, Basle. The sudden rise in U.S. business follows the recent acquisition of the Minneapolis-based Northrup King and of Chicago dietic supply, The Northrup King deal was Sandoz' biggest ever foreign acquisition.

For 1976, total group sales will be of some 4 per cent. more than that of Sw.Fr.2,920m. recorded for 1975. As 1975 turnover was 2.1 per cent. down on that of the previous year, this will thus have returned to a level above that reached before the 1975 setback.

A breakdown into product groups shows that dyestuff sales, down 14 per cent. in 1975 at Sw.Fr.1,140m., rose by over 14 per cent. again to compensate for the decline. Particularly good results were recorded for pigments and additives, whose share in overall dyestuff business will grow as the result of the run-on last year of a new plant at Hunningen. International competition in dyestuffs continues. In pharmaceuticals, Sandoz' Swiss-Franc turnover of Sw.Fr.2,130m. was kept up, a fact which the company regards as satisfactory in view of the exchange-rate developments. Price freezes of pharmaceuticals continue to play a decisive role in various national markets, however. Elsewhere, agro-chemical turnover dropped below the 1975 level of Sw.Fr.352m., due to weather conditions and the recession, while the foodstuffs division (1975 group sales: Sw.Fr.389m.) progressed well.

Berth order The Aqaba Port Department of Jordan has placed an order with Ishikawajima-Harima Heavy Industries (IHI) for a floating berth valued at about \$5m. IHI said it is the second floating berth ordered by the Jordan Government.

Commission to create two German steel sub-cartels

BY A. H. HERMANN, LEGAL CORRESPONDENT

AS PART OF the arrangements which led to the already reported EEC-wide quota-cartel for the steel industry, the EEC Commission intends to approve the establishment of two huge sub-cartels embracing over 40 per cent. of the German steel capacity plus Arbed, the great steel works of Luxembourg. The two sub-cartels, Gruppe "North" and Groupe "South" will obtain from the EEC Commission global production quotas which they will share out between their members.

The announcement of the new steel policy of the Commission, combining the quota system and approval for the two German groupings was made on December 21, and was immediately followed by the Commission's approval of the acquisition of the Maxhütte Steel Company by Klöckner, creating a German steel group exceeded in size only by Thyssen, Essen-Hoesch-Höckelinger, Dürenwerk which belong to the Maritz-Wendel group. The entire Group "South" represents about 7.4 per cent. of EEC steel output.

The new groups North and South are successors of the earlier German Rationalisation groupings of 1971 which in turn were preceded by the four 1967 Steel Boards for marketing of rolled steel products. The groupings were the Estel group (including Hoechst-Hoogoven) form separate organisations of their own outside of the North and South groups.

The regulatory function of the Commission will be further assisted by a co-operation of national steel industry federations in the newly created Eurofer and Denelux, the last named joining the steel associations of Germany, Holland and Luxembourg. No sanctions are provided but it is not expected that the Commission will have any great problems with getting its quota recommendations observed. It is assumed that governmental and trade union pressures would be enough to make enterprises to toe the line whenever the overlapping of production quota by one enterprise would lead to reduction of output and possibly redundancies in other.

Second loan made by NIB

By Lance Keyworth

HELSINKI, Jan. 4.

NORDISKA Investingsbank (NIB—Nordic Investment Bank) has made its second loan to the Norwegian Krone 200m and the recipient is Icelan Alloys. The loan is repayable in 1981-1994. The loan is for a ferrous production plant with an annual capacity of 50,000 tons to be built by the Norwegian company Elken-Spigerverket. The investment cost is estimated at Nkr.450m. The State of Iceland owns 55 per cent. and Elken 45 per cent. of Icelan Alloys. The remainder of the financing will come from Norway and the existing shareholders.

The first of the two Elken smelters is scheduled to go into production at the turn of 1978, and the second one and a half years later. Elken, which already exports over 100,000 tons of ferrous metal annually from its own production plants in Norway will handle the Icelandic exports as well.

NIB was established by Denmark, Finland, Iceland, Norway and Sweden in July 1967 and started trading in August. Its first loan of Nkr.100m. was granted in December to the Finnish power utility Imatran Voima, for a joint Finnish-Swedish electric power transmission line.

The first tranche of NIB's share capital was paid up in August 1976 and two further tranches will be paid in 1977 and 1978, bringing the total to one-fourth of the authorised level of about Nkr.2.4bn. NIB will finance its lending business both from capital (as for the Imatran Voima, for a joint Finnish-Swedish electric power transmission line).

With a favourable climate for economic development and availability of capital resources, Alcan's level of capital spending in 1977 could reach record levels. Last year they were lower than expected because of the labour troubles in Canada. A sound Canadian investment climate and higher prices for ingots. This means a North American ingot price range of between 60 and 60 cents a pound, which the company believes may be reached in 1977.

Alcan sees fairly strong aluminium consumption growth in 1977, possibly between 5 and 10 per cent. over 1976, and this could mean that industry shipments could exceed the 1973-74 record highs by some 7 per cent. The company expects to start fully in this market growth.

Adjusted net earnings come out at Kr.15 per share against Kr.10 on the 1976 account and the Board intends to propose an increase in shareholders' dividend from Kr.5.50 to Kr.6.

Galleries Anspach to follow trend to suburban trading

BY DAVID BUCHAN

BRUSSELS, Jan. 4.

THE NED owners of Galleries Anspach intend to move the bulk of the big Belgian store chain's activities out of the downtown areas and into the faster growing suburbs, in a bid to revive its ailing fortunes. M. Jean Pierre de Bodt said today. M. de Bodt is the spokesman for his family group which sold Galleries Anspach to Sears, Roebuck, the U.S. retail giant, in 1971 and which has just bought it back again for an undisclosed sum in a deal concluded late last month. Galerie Anspach has not made a profit since 1970, a fact attributed generally to its present concentration in Belgium's inner cities. Sears has agreed as part of the sale to continue to underwrite a big new shopping centre that Galleries Anspach is building in the north of Brussels to the tune of \$18m. over a 20 year period. Galleries Anspach is hoping for State help with a similar development to the south of the capital. Another condition of the sale is that Sears write-off most of the debt of the Anspach group, which accumulated during its five-year management. In addition, M. de Bodt said that Galleries Anspach was now assured of sufficient working capital at least for the next three years. Part of the chain's new cash injection comes from the Societe Nationale d'Investissement (SNI), the semi-State body, which as provided B.Fr.200m., giving it an equity stake of perhaps up to 20 per cent. Getting such State help has undoubtedly been easier for the de Bodt group which now puts at least 80 per cent. of the equity back in Belgian hands, than for the expatriate Sears. But providing it has not exactly pleased the SNI whose chairman has recently complained that his organisation's resources are being squandered by the State in rescuing lame ducks rather than in pursuing the SNI's original aim of helping new or small industries with potential.

AMERICAN NEWS

Alcan runs ahead of schedule

BY ROBERT GIBSENS

MONTREAL, Jan. 4.

ALCAN ALUMINIUM sources said that its main Quebec smelters at Arvida, Le Malin, and Beauport are now working at 80 per cent. of operating capacity and are ahead of the start schedule set in mid-November after the five months Quebec smelter strike was settled.

There are hopes of a settlement shortly at the Shawinigan plants and at the company railway between Port Alfred and the Arvida works.

The company is looking forward to an early meeting with the new Quebec Government to clarify the Government's objectives for the aluminium industry generally. Alcan has a \$Cibn. ten-year modernisation programme for its Saguenay smelting system, starting with a record high of some 7 per cent. The company expects to cost around \$200m. The share fully in this market growth.

With a favourable climate for economic development and availability of capital resources, Alcan's level of capital spending in 1977 could reach record levels. Last year they were lower than expected because of the labour troubles in Canada. A sound Canadian investment climate and higher prices for ingots. This means a North American ingot price range of between 60 and 60 cents a pound, which the company believes may be reached in 1977.

Alcan sees fairly strong aluminium consumption growth in 1977, possibly between 5 and 10 per cent. over 1976, and this could mean that industry shipments could exceed the 1973-74 record highs by some 7 per cent. The company expects to start fully in this market growth.

SELECTED EURODOLLAR BOND PRICES

Table with columns for bond types (STRAIGHTS, CONVERTIBLES, FLOATING RATE NOTES), issuer names, and prices. Includes entries for American Express, Shell, and various international banks.

Canadian Pulp underperforms

THE CANADIAN pulp and paper industry is underperforming its chief competitors, says Mr. Howard Hart, President of the Canadian Pulp and Paper Association. He says that in the U.S., productivity trends are down, transport and equipment costs rising. Cash flows and profit margins are still being squeezed, he said, according to Robert Gibbens, in Montreal. Total 1976 shipments will be about 19m. tons, or up 16 per cent. from 1975. Total newsprint shipments will be about 8.7m. tons, up 13 per cent. and wood pulp 6.5m. tons, up 20 per cent. Industry shipments and operating rates are expected to stay close to present levels.

Sales, profits recover at PLM

By Our Own Correspondent STOCKHOLM, Jan. 4. PLM, the Swedish metal can, packaging and waste treatment concern, announces in a preliminary report for 1976 pre-tax earnings of approximately Kr.70m. (\$10m.) after a 7.5 per cent. growth in turnover to Kr.1.260m. (\$266m.). Earnings increased by over Kr.20m. compared with the previous year but were still short of the Kr.116m. achieved in 1974. Adjusted net earnings come out at Kr.15 per share against Kr.10 on the 1976 account and the Board intends to propose an increase in shareholders' dividend from Kr.5.50 to Kr.6.

Advertisement for Sandoz Overseas Limited. Includes text: "40,000 Units Sandoz Overseas Limited", "U.S. \$64,000,000 4 1/2% Guaranteed Convertible Debentures Due 1988", "Sandoz Ltd.", and a grid of international bank names.

Advertisement for Dravo Lime Company. Includes text: "\$60,000,000 Financing through production payment to be liquidated by December 15, 1991", "\$50,000,000 paid at closing and \$10,000,000 to be paid prior to February 25, 1977", "Dravo Lime Company", and "Kuhn, Loeb & Co." logo and address.

Handwritten Arabic text: "سكزا من الاصل"

Handwritten scribble at the top of the page.

FINANCIAL TIMES SURVEY

Wednesday January 5 1977

Multi-Bank Consortia

The concept of consortium banking, while by no means wholly rejected, has undergone considerable modification in recent years. Growth in the number of consortia has fallen away, size, function and management objectives have come to vary widely, and the label Eurobank has begun to emerge.

Fresh look at the meaning

By Tony Hawkins

often included in the consortium category, which make little secret of their dislike of the concept because it links them with others which have developed—possibly failed to develop—along very different lines.

Looking at the shareholder structure, the reason for a more discriminating approach to the definition of consortium banks is again apparent. For instance, European Banking Company has seven shareholders (Amro, Banca Commerciale Italiana, Creditanstalt, Bankvarein, Deutsche Bank, Midland Bank, Societe Generale de Banque and Societe Generale) each with 14.3 per cent, whereas Allied Bank International has 18 banks as shareholders each with some 51 per cent of the equity.

LONDON-BASED CONSORTIUM BANKS

	Assets £m.
1. Allied Bank International	—
2. Anglo-Romanian Bank	62.6
3. Associated Japanese Bank	338.1
4. Atlantic International Bank	93.7
5. Banque de la Societe Elusciere	—
6. Brown Harriman International	79.8
7. Canadian American Bank	—
8. Euro-Latin American Bank	42.2
9. European Banking Company	249.0
10. European Brazilian Bank	221.0
11. International Commercial Bank	422.7
12. International Energy Bank	83.5
13. International Mexican Bank	103.0
14. Iran Overseas Investment Bank	67.6
15. Italian International Bank	179.0
16. Japan International Bank	296.5
17. Libra Bank	172.5
18. London Interstate Bank	52.1
19. London Multinational Bank	327.6
20. Midland and International Banks	799.0
21. Nordde Bank	253.1
22. Orion Bank	117.0
23. Saudi International Bank	n/a
24. Scandinavian Bank	486.0
25. UBAF	256.0
26. United Bank of Kuwait	309.5
27. United International Bank	192.4
28. Western American Bank	137.8

Character

It is not simply a matter of comparison between seven shareholders in one case and 18 in the other, but also the size and character of the shareholders—a selection of Europe's leading banks in the first case, and regional U.S. banks in the second.

which have a different raison d'etre. Such banks as Libra and Intermex have established top class reputations in their own fields as regional consortium banks serving the needs of a particular geographical area with immaculate efficiency. But to put them in the same category as Orion, MAIBL or European Banking makes little sense.

With this distinction in mind, five main reasons for establishing a consortium bank can be identified. First, the straightforward regional motivation—Libra serving Latin America, Intermex concentrating on Mexico, UBAF and the United Bank of Kuwait on the Middle

East; these all exemplify the regional explanation.

Second, there is the technological motive—the establishment of a bank to exploit a particular technological or industrial situation. International Energy Bank is a classic case here.

Third, there is the desire of regional banks—such as those in the U.S.—to get a share of the Eurocurrency business. Allied Bank International provides an example. Fourth, there is the link-up between major domestic commercial banks, aimed at exploiting Eurocurrency business, competing with the merchant banks and exploring new fields of banking activity in a manner which would have been less viable with independent operations.

Finally, there is the argument for diversifying risk. This list is less than all-embracing, but the diversity of motivations underlying consortium operations is just one more reason for questioning the validity of the generic classification that lumps them all together willy-nilly.

For these reasons, it is argued that it is more meaningful to examine the consortium banks in the context of their being Eurobanks. This suggests that the main reason for grouping such banks under one umbrella has nothing to do with either the number or the nature of their shareholders, but rather with their operations.

What does a Eurobank do, or set out to do? First, to diversify outside the narrow range of activities pursued by com-

mercial and clearing banks, most notably in the case of the success stories—into the field of private placement and new issue management. Second, it offers the shareholders an opportunity to earn a higher return on international operations—such as syndicated loans—than they can get on domestic activity.

This is no reason for consortium banking as such. The operations of the major U.S. banks in the Eurocurrency market at a time of low domestic loan demand is an equally valid illustration.

Access

Related to this is the ability of a Eurobank to place surplus funds at a time of depressed domestic loan demand in the interbank and syndicated loan markets.

Longer term advantages include the access to international expertise and the experience, the exposure to closer international links with other major (non-competitive) banks and the opportunity to widen activities—regionally, in terms of activity and in terms of scale.

Above all, the consortium (or Eurobank) arena is one that lends itself to experimentation and innovation. Market sophistication as we know it to-day is at least partly the result of the willingness of the consortia to little to do with musclepower, "have a go" in fields for which they were less than completely qualified. The way in which some large commercial banks else, a people business. It is

have followed the consortia into the syndicate market is evidence of this.

Mr. S. M. Yassukovitch, managing director of European Banking Company, has written that in many cases consortia banks were left with deliberately vague business objectives, thereby leaving the management free to evolve its own distinctive corporate strategy. It is fair to say that a number of the banks have done just this.

Orion, for instance, has deliberately sought to develop into a front-rank international merchant bank. Its achievement during 1976 is evidence of its success. Figures for the first 11 months of 1976 show Orion as number nine in the Eurobond lead management field and number 19 in the co-manager and lead manager stakes.

Orion executives emphasise that this has nothing at all to do with their shareholding. They have placed no bonds with their shareholders. They have, in fact, set out to build up a placing power capability, which stems, first and foremost, from success in the private placement field.

European Banking, which shows as No. 15 in the league table, has also made its pre-emption as we know it to-day is at least partly the result of the willingness of the consortia to little to do with musclepower, "have a go" in fields for which they were less than completely qualified. The way in which some large commercial banks else, a people business. It is

CONTINUED ON NEXT PAGE

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Member banks: Midland Bank Limited; The Toronto-Dominion Bank; Standard Chartered Bank Limited; The Commercial Bank of Australia Limited.



International Commercial Bank Limited

Extract from Audited Accounts 31st December 1975

Share Capital and Reserves	£13,440,186
Subordinated Loans	£11,288,076
Total Deposits	£373,650,316
Total Assets	£422,723,898

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COMMERZBANK, A.G. IRVING TRUST COMPANY
THE FIRST NATIONAL BANK OF CHICAGO CREDIT LYONNAIS
BANCO DI ROMA S.p.A. (Through its unconditionally guaranteed subsidiary Banco di Roma S.A.)

MULTI-BANK CONSORTIA II

U.S. attitudes lukewarm

The attitudes of U.S. banks to consortium ventures can best be described as lukewarm. True, it is virtually impossible to find a major U.S. bank which does not have a stake in a consortium bank somewhere in the world — out of the top 20 U.S. banks, 12 have stakes in at least one London consortium bank. But, with very few exceptions, American bankers have never shared the European enthusiasm for working together in consortia.

U.S. banks, for example, are poorly represented in the Arab consortia which have been set up over the past few years. Where they have the choice, they normally prefer to "run their own show" and are not keen to become involved in the "politicking" associated with a long list of shareholders whose many and varied interests have to be satisfied in a joint venture.

Apart from differences in temperament and management style however, American attitudes to consortium ventures have hardened perceptibly over the past few years. Partly it is a question of profitability. American banks are under more pressure from the investment community to demonstrate solid earnings growth.

Whereas many of their European rivals are State-owned and do not need to devote as much attention to growth in earnings per share, U.S. banks are much more sensitive on this score. A weak earnings record can hamper their plans to raise extra capital, and they cannot fall back on a State guarantee for support.

As a result American banks tend to put more emphasis on the profitability of their consortium affiliates. Because of the need to build up their capital resources, some consortium banks have yet to pay a dividend while others are following a conservative distribution policy. A few U.S. banks which invested in the sterling capital of London consortium banks may have to write off part of their investment following the slide in sterling.

Looked at in purely financial terms, therefore, U.S. banks' investments in consortium ventures have rarely been particularly profitable, added to which banks have been made painfully aware over the past few years that their involvement in a consortium bank can sometimes entail them assuming more than their share of the risk if a consortium bank runs into trouble.

Forced

A few years ago the U.S. shareholders of Western American Bank were forced to take on to their own books a substantial portion of that bank's loans when it started having difficulty funding its portfolio. Texas Commerce Bank had to pick up the pieces of Burston and Texas Commerce Bank after the majority partner (the Burston group) had run into financial difficulties, and Citibank found itself injecting fresh capital into Grindlays Bank to bolster its capital base following the property losses at Brands.

While memories of the Franklin and Herstatt collapses and the U.K. fringe banking crisis have faded away, the lessons of that period have sunk in and even if the banks might be tempted to overlook them at some future date, the U.S. regulatory authorities, in the guise of the Federal Reserve, are going to ensure that the same mistakes are not repeated.

U.S. BANK REPRESENTATION IN LONDON

BANK	Size \$bn.	LONDON		CONSORTIUM BANK	
		Branch	Merchant Bank	Multi-purpose	Specialist
Bank America	65.8	●	●		
Citibank	62.8	●	●	Orion	Int. Mexican Bank
Chase	40.7	●	●		Eurobraz
Man. Hanover	37.4	●	●		Iran Overseas
J. P. Morgan	25.0	●	●		Libra
Chemical	22.4	●	●	London Multinatl.	Iran Overseas
Cont. Illinois	20.0	●	●		Saudi International
Bankers Trust	19.8	●	●		
First Chicago	18.8	●	●		
Western Bancorp	18.3	●	●		
Sec. Pacific	14.5	●	●		
Wells Fargo	12.1	●	●		
Charter	10.9	●	●		
Marine Mid	10.8	●	●		
Crocker	10.1	●	●		
Mellon	8.8	●	●		
First Nat. Boston	8.4	●	●		
Nat. Detroit	7.3	●	●		
First Bank Systems	7.2	●	●		
First Penn.	6.5	●	●		

Source: The Banker.

A year ago the Fed. issued a policy statement on U.S. banks' joint ventures abroad. The gist of the statement was that the Fed. would take a much closer look in future at U.S. banks' plans to participate in foreign consortia and joint ventures. Unlike British or Continental banks, U.S. banks normally have to seek official permission before making an overseas investment.

This is no mere formality. In the past, for example, First Chicago has been prevented from taking a half-share in a planned Spanish merchant bank in London. And this is no isolated case. Even the biggest U.S. money-centre banks have had overseas plans turned down by the regulatory authorities.

In considering applications the Fed. now takes into account the possibility that the joint venture might need additional financial support and that this support could be larger than the bank's original equity investment. The applicant's ability to meet any additional demands put upon it, in the form of extra financial or managerial support, also comes under scrutiny.

The Fed. has emphasised that its policy statement was "not intended to prohibit or discourage" new foreign joint ventures. It wanted only to "clarify for all parties concerned the probable magnitude of the risks involved." Clearly, however, the combination of official nudging and the banks' own experiences over the last few years, has forced most of them to re-evaluate their existing stakes in consortium ventures and their plans to make new investments.

There have been a few cases of U.S. banks pulling out of joint banking ventures overseas — Morgan Guaranty, for example, is disposing of its 51 per cent stake in its Italian affiliate, Banca Morgan Vonwiller, while Bank of America has sold all but 5 per cent of its stake in Rabomerica International Bank. But, in practice, to pull out of a consortium bank is less simple than it might first seem — the number of banks wanting to buy into existing consortium banks has decreased. The alternative is to take full control oneself, and this is what a number of American banks have decided to do.

Changed

However, the U.S. approach to consortium banking ventures has changed fundamentally over the past five years. Whereas in the late 1960s many American banks joined London-based consortia to develop their medium-term lending skills in the Euromarkets, they soon discovered that consortium banks offered few advantages which they could not develop themselves.

True, they did spread the initial risk, which was important for the smaller banks but they also spread the profits and small banks found that they could participate as effectively in the Eurocurrency markets via their London or Nassau operations, while the big banks were unwilling to allow their consortium affiliates to cream off the lucrative international merchant banking business which was starting to emerge.

Many of the major U.S. money-centre banks have set up specialist merchant banking subsidiaries over the last few years, which in fact cover much the same ground. Chase Manhattan Ltd., for example, competes with its two affiliates, Libra and Orion, to manage syndicated loans, and offer other fee-related services.

Against this background the rationale for consortium banking ventures has changed. Major U.S. banks, while generally reluctant to abdicate management control to a consortium affiliate, will do so in two situations: The

the century. A recent book, "The Euro-bank: its Origins, Management and Outlook," by Steven Davis of First International Bancbares, has chronicled their rise and fall.

The U.S. consortium banks were principally set up to do international banking. Among the most famous were the American Foreign Banking Corporation, which was owned by over 30 North American banks and had 17 branches overseas. It was later taken over by the Chase Bank. The Asia Banking Corporation, which was owned by Guaranty Trust and the Continental Bank of Chicago plus others, went into voluntary liquidation in 1974 and was finally absorbed into National City Bank.

Perhaps the most infamous was the Mercantile Bank of America, established by Brown Brothers, Guaranty Trust and other U.S. banks. The bank opened 46 offices throughout South America and became involved in commodity financing, but ran into trouble after its Havana office lent \$25m against sugar which dropped in price from \$0.21 to \$0.02 per pound.

By the 1930s all of the American consortium banks had disappeared and their failure was attributed to a combination of inexperienced management, over-rapid expansion, the 1920 foreign trade crisis, excessive eagerness and competition for business, conflicts between bank shareholders and the usual problems of doing business in countries with a significant degree of political instability and vulnerability to commodity price fluctuations.

While the consortium approach clearly limited the exposure of individual banks, one observer concluded that "it soon appeared that the bank stockholders were inclined to suspect one another or to fear that through some lack of loyalty one or other of them would be disadvantaged." Against this historical background American banks' lukewarm attitudes to present consortium banking ventures can be better understood.

William Hall



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Meaning

CONTINUED FROM PREVIOUS PAGE

where management really counts. Orion with David Munn and European Banking and Stan Yassukovitch have proved this point beyond all doubt.

Logically, the development path open to consortium banks will take into the field of merchant banking. Accordingly their competitors will be the London-based merchant banks — the Hambros, the Rothschilds, the Hill Samuels, the Credit Suisse White Wolds, the Wood Gundy and so on. Aware of the need to develop along just these lines, we find such banks as United International Bank participating in private placements so as to establish their placement capability. United International Bank recently announced that it had carried out a private placement of \$25m. of 7-year bonds on a 9 per cent coupon for a major Swedish institution.

It is not only the new issue field that offers a growth path for these banks, but also fee-earning activity in the corporate finance field such as mergers and acquisitions, and capital re-structurings. There is scope in this area too for the specialised banks — be they regional or industrial in their specialisations. The way must be open for a bank with London experience to arrange mergers in the Middle East or to organise capital restructuring in Latin America.

In essence, all consortium banks, while essentially medium and short-term lenders at present, must be expected to move increasingly into both a diversified field (in the sense of fee earning) and also the longer term field. As one banker puts it: "Scratch a consortium bank and you will find a potential merchant bank not far below the surface."

Secure

Because of this diversity of interest, activity and operation, it is difficult to generalise on the performance of the consortium banks in the past year. By and large, it is fair to say that 1976 was a year of consolidation and expansion and by the end of the year, the banks looked more secure than two years previously. Overall too, it is fair to say that there were no other 1974-style banking crisis, the likelihood is that the consortium banks would not face the same threats of cut-offs in their lines of finance as they did then. Many — if not most — of them have established themselves as autonomous banking organisations.

True, there is still a tendency to count up the number of shareholders and evaluate their international standings, but no very real problem in the past one to-day questions, the standing of an Orion, a Malb or a

European Banking Company. They have arrived. Equally, an one criticises the Libras, the Interzems and the London Multinationals — they have established a very impressive record.

Growth of the consortia is evident from the Bank of England statistics. Total assets have grown from some £4bn. in late 1973 to more than £11bn. last August. In relative terms, the consortium banks' share of total Eurocurrency assets (claims in non-sterling currencies of banks in the U.K.) has in fact contracted from more than 8 per cent in 1973 to 6 per cent last year.

The fall in sterling in recent years has given some consortium banks an added problem. Last month, London Multinational Bank said it had repaid its foreign currency subordinated loans replacing them with similar loans in resident sterling but of later maturity.

The intention is to overcome a tax problem arising from a view taken by the tax authorities that an increase in the sterling value of foreign currency assets is taxable as profit, while the corresponding rise in the liability — on currency subordinated loans cannot be offset against tax. This has become a very real problem in the past two years with the accelerated decline in the sterling parity.

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MULTI-BANK CONSORTIA III

Favourable year in Euromarkets

THE CLOSE relationship between consortium or Euro-banking and the Euromarkets implies that 1976 should have been an excellent year for the participating banks because of the high level of Euro-market activity.

International private credit flows accelerated strongly last year according to figures compiled by Morgan Guaranty Trust Company, which show an increase of 42 per cent for \$17bn. in published Euro-credits and international bond issues. Bond market growth (48 per cent) exceeded that of the medium-term, lower Euro-credit market (38 per cent).

It is not feasible to assess the impact of this growth on the consortium banks. But bearing in mind that these banks were established to exploit just this market, the market's strong growth last year must have rubbed off on the banks.

Then there is the problem of inflation. Bond prices are understandably highly sensitive to inflation levels. A strongly deflationary economic strategy within the U.S. that resulted in sharply higher international inflation—bearing in mind that we would be blasting off from an already unacceptably high platform—could have a seriously adverse effect on investor sentiment.

INTERNATIONAL BOND ISSUES

Table with 4 columns: Year (1973, 1974, 1975, 1976), and rows for Eurobonds, Foreign bds. outside the U.S., Foreign bonds in the U.S., and Total.

Source: Morgan Guaranty World Financial Markets.

Quality

This is not the only snag. A second problem relates to the quality of the borrower. Towards the end of last year there was considerable evidence of investor resistance to the kind of borrower tapping the bond market.

By the 1930s all of the American consortium banks appeared and their list as attributed to a combination of inexperienced management, overrapid expansion, and foreign trade.

Spreads

This was the first time that spreads had fallen below the 1 per cent level since 1974 and reflected the intensification of competition among lenders for credits to selected borrowers.

amounts — although in South Africa's case, political factors may preclude this from taking place. — Compton borrowings seem likely to increase—possibly to around the \$4bn. level from an estimated \$2.5bn. last year—while less developed countries will continue at the front of the international borrowing queue.

developing into the prolonged pause to which there are still few clear-cut signs of an end. The imponderables on the Eurobond side of the market are equally formidable.

U.K. banks recover poise

OVER THE PAST couple of years the London-based consortium banks have largely recovered their poise after the earlier difficult period in the Eurocurrency markets.

bank of relatively modest size and capital resources. In a number of cases, merchant banks have decided to pull out of consortium operations.

good deal of eclecticism in some instances where various approaches have been adopted to deal with differing circumstances.

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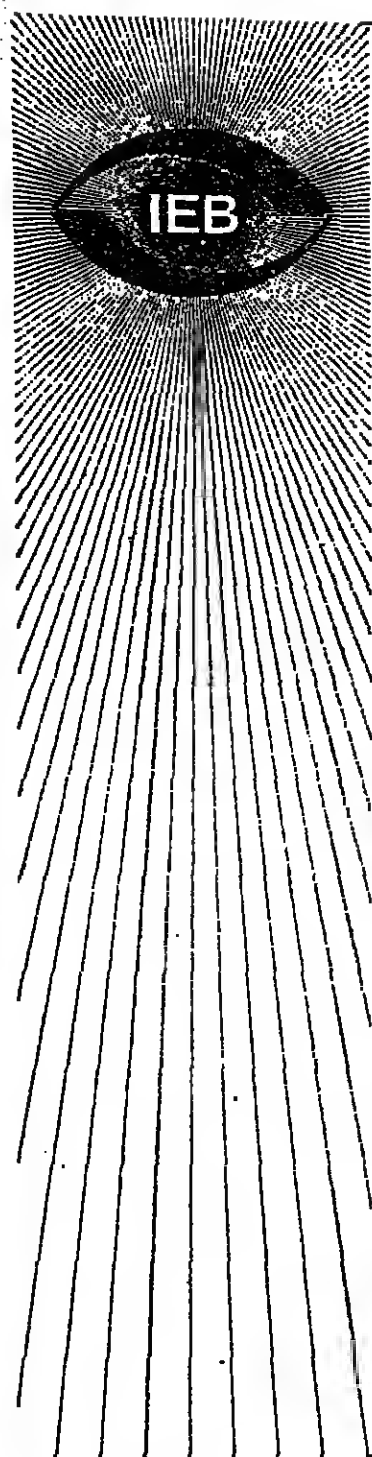
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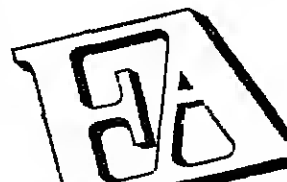
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MULTI-BANK CONSORTIA IV

Specialist operators

WHILE MOST of the biggest consortium banks have a broad international ownership and use their resources widely through the Euro-markets, a number of other groupings operate in a more specialised context.

The specialisation may take a number of forms, often involving a particular geographical area—such as the developing regions of Latin America and the Middle East. The object of this is to make use of expertise in assessing the potential and risks of the markets in the chosen area, so giving the parent banks the opportunity of investment there which they might not have the size or resources to undertake alone.

More recent years have also seen a growth in consortia doubly related to a particular area, both as drawing resources from it and investing in parts of the region. The Middle East is an outstanding example since, with the steep upsurge in oil prices, that region has been both a generator of surplus funds and—often in different parts of the area—a hungry user of loans. UBAF, the London concern half-owned by the big Paris-based Union des Banques Arabes et Françaises, and in which the Libyan Foreign Bank and the Midland Bank each hold a 25 per cent stake, is an instance of a consortium bank well placed to participate both as borrower and lender in the Middle East and Arab world.

In the developed world, too, banks from a particular country or region—notably Japan and Scandinavia—have found it convenient to join forces in London-based consortia, whether or not their investment outlets are concentrated in the same area.

Muscle

Another, though less common, type of specialisation is according to the industrial character of the investment outlet, a notable example being International Energy Bank, which concentrates on the North Sea and other oil development contexts.

Although specialisation in these various ways has often proved a sound formula, it is not a guarantee of success, particularly where, in highly competitive conditions, size and consequent financial muscle-power are decisive factors in determining who gains loan business.

Some of the smaller consortium operators in Latin America, for example, have found that however skilfully they may weigh one risk against another, a major American or international bank rival may win desirable business from them by making lending terms just a little more attractive even at sacrifice of some of the margin over borrowing costs.

The past year has seen specialist consortia, like consortium banks generally, enjoying, in at least a number of cases, some expansion of business with the further growth of the Euro-market and—for those concerned—the boom in Euro-

Although some consortia are having to grapple with the problems of restoring ratios distorted by the effect of the pound's fall in shrinking a sterling capital on which a foreign currency business is supported, the year has been a relatively smooth one.

The well-known tax problems concerning the Inland Revenue's reluctance to allow tax relief on the additional cost of foreign currency subordinated loans which buttress the capital of a number of consortium banks are as familiar to specialised as to other consortia and are now under very active discussion.

The effect of the fall in the pound has been to magnify the sterling value of total assets, chiefly in foreign currencies, of most of the consortium banks, including the specialist groups. In addition, there has often been a true rise in the scale of operations during 1976 because concerns have somewhat increased their borrowings, on average, to extend their operations—though often at a fairly sedate pace—after the very restrictive 1974-75 phase following the collapse of the Herstatt Bank in Germany. Total assets of all consortium banks were \$1.2bn. up on a year earlier in August, 1976, at \$1.13bn.

In order to keep the capital base in appropriate relationship with the growing scale of business, both in sterling terms and real terms, extra capital has been injected in one form or another in some cases. UBAF,

whose deposits from Middle East sources particularly have been growing, and whose total assets are now around \$415m., against \$266m. at the end of 1975, has recently had its share capital doubled to £10m. through the putting up of £5m. cash by its owning banks.

Scandinavian Bank, like Nordic Bank, specialises in lending to the Scandinavian area, including shipping and related industries. During 1976 the Scandinavian Bank group raised \$30m. against subordinated loan notes through a private placing with a foreign subsidiary of the group.

The international arrangements—made more explicit by the Bank of England in the past two years—under which parent banks are responsible for the well-being of their consortium offspring have been brought into effect recently at one specialised group, Italian International Bank, whose ultimate owners are four old-established Italian banks, has lately disclosed that a £4m. shortfall on its loans has been guaranteed by Anciennes Institutions de Crédit Italiennes, of Luxembourg, its direct parent which is in turn owned by four Italian banks, including Banco di Napoli and Banco di Sicilia. The aim is to realise the underlying security for the loans in question over periods up to five years.

The concept of a consortium bank to specialise in Euro-lending to particular areas goes back to the formation some years ago of Roy West Banking Corporation, whose owners included Britain's National Westminster Bank and Royal Bank of Canada, to operate mainly in the Caribbean area. Sometimes the parties to specialist ventures are also more generally linked in a non-specialist consortium but additionally undertake the geographically oriented enterprise in a new grouping with banks of the region. Thus both NatWest and Royal Bank of Canada are partners in the very internationally owned big and general Orion Bank consortium, along with Chase Manhattan Bank, Westdeutsche Landesbank Girozentrale, Credito Italiano and Mitsubishi Bank. All these participate also in Libra Bank, which is a specialist in Latin America, and in which other banks connected with that region are their fellow shareholders.

Similarly, while the large Banque de la Société Financière Européenne, which includes Barclays Bank International, Bank of America, Algemeene Bank Nederland, Dresdner Bank and Sumitomo Bank, operates in a general context, some of its shareholders also participate in Euro-Latin America Bank, specialising in Latin America. Banque SFE members also have links with International Energy Bank.

Simon Tait, particularly concerned with Margaret Reid

Simon Tait

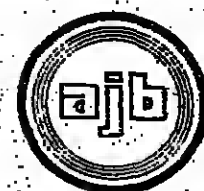
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Restraints in Japan

THE FLOOD of Japanese banks seeking to join the international consortium banking community has slowed to a trickle over the past two years, and there is little or no likelihood of the flow reviving in the near future.

For one thing, most of the leading Japanese banks are already members of a large number of international group banking ventures around the world. For another, even if they were still anxious to participate in new consortia, they might have trouble finding international partners.

Then, last March, paternalistically citing the need to keep the banks from running into difficulties overseas, the Ministry decided in principle not to approve for the time being any new plans by Japanese banks to acquire a controlling stake in overseas joint banking ventures. Only a few pending applications would be considered, the Ministry said, while plans for acquisition of stakes of less than 50 per cent would be scrutinised more closely than before.

To emphasise it meant business, the Ministry a month later instructed all Japanese banks to submit detailed annual reports on the various ventures in which they held majority stakes, including balance-sheets, profit and loss statements, large loans supplied overseas, and loan accounts with the parent bank.

One reason cited at the time for the Ministry's new controls was the financial problems encountered by the Brazilian Financial Investment Bank, in which the Bank of Tokyo had a 30 per cent stake. But it seems fairly safe to assume the Ministry would have acted anyway, given its keen desire to keep a close eye on the overall offshore activities of Japanese banks, whether through consortia, or through wholly or partly owned subsidiaries or branches.

One of the Ministry's main concerns, it perhaps needs hardly be said, is the banks' notoriously heavy dependence on short-term external borrowings to fund long-term lending commitments. The experiences of Japanese banks with minority stakes in consortium banks have not always been altogether happy ones.

Banking sources in Tokyo report that some Japanese banks have often found it difficult to abandon their uniquely Japanese operating practices in favour of the alien methods imposed by their partners. Perhaps anticipating such frictions—but much more probably because it wanted to simplify the problem of keeping track of the banks' offshore activities—the Finance Ministry encouraged Japanese banks to join forces by setting up their own joint ventures, rather than each bank joining one of the multinational consortia.

In 1970, seven leading Japanese city banks made applications for overseas participation in a variety of overseas group banking ventures. The final outcome, heavily influenced by the Ministry's wishes, was the setting up in London of Associated Japanese Bank—involving Dai-ichi Kangyo, Mitsui and Sanwa banks—and Japan International Bank, involving the Fuji, Mitsubishi, Sumitomo and Tokai banks.

The initial argument presented by the banks in favour of their offshore plans was the urgent need to provide medium and long-term financing to the rapidly growing number of Japanese companies involved in business overseas.

The justification for this argument was greatly weakened two years later, when the Ministry found it possible to relax earlier controls on medium- and long-term lending directly by the city banks' offshore branches. This initiated a period when the banks were competing for loan business with the consortia in which they participated—and in fact most of the business which came the way of the parent banks was not passed on.

That period came to an abrupt end following the Herstatt incident, when the Ministry effectively banned further increases in the city banks' offshore medium- and long-term loans. The ban has undergone a recent, but only very slight, relaxation. Since 1974, in fact, Japanese city banks have been passing an enormous amount of business the way of overseas banking groups to which they have a stake.

MULTI-BANK CONSORTIA V

Channel for oil funds

CONSORTIUM banking was by its very nature...

Euromarket lending, having led to the...

Trust Company not only has 20 per cent...

Ventures

IMDBI was established in 1959 to finance...

Other consortium banks serving localised needs...

Widest

The group with the widest spread in operations...

There is some overlapping of shareholders...

What seems likely, however, is an expansion...

Problem of the weak £

THE RECENT news that London Multinational Bank...

be taking a fairly relaxed view of the situation...

The tax authorities argue, however, that the nominal gain...

Confidence

Nevertheless, the problem is real, both from the point of view...

The implications of a continuing decline in sterling...

London Multinational has taken its own action...

Claim

Meanwhile, however, the bank has already incurred putative liabilities...

The Bank of England has recognised that a proportion of such capital is acceptable...

This view is strongly supported by other banks...

U.K. banks

places to participate in the international wholesale banking market...

Barclays is also involved in a European co-operation through the SFE consortium...

Barclays has also taken part in more specialised operations...

Advertisement for THE CITY LINK Italian International Bank, featuring logos for BANCO DI NAPOLI, MONTE DEI PASCHI DI SIENA, IIB, ISTITUTO BANCARIO SAN PAOLO DI TORINO, and BANCO DI SICILIA.

Advertisement for Multibank London Multinational Bank, including financial statements for 1974, 1975, and 1976, and contact information.

Vertical text on the left margin, including 's', 'the largest', 'Bank Ltd', 'Securities', '1.4 million', 'Bank Ltd', 'Securities', '1.4 million'.

GOLD MARKET

Table with gold prices: Gold Bullion, Gold Bars, Gold Coins, etc.

FOREIGN EXCHANGES

Table with foreign exchange rates: London, New York, Hong Kong, etc.

OTHER MARKETS

Table with other market prices: Wheat, Sugar, etc.

TRADING METALS open New Year warning on firmer note

By Our Commodities Staff. PRODUCERS of Channel Islands quality milk... METAL PRICES were generally firmer on the London Metal Exchange...

Coffee prices plunge

By Richard Moores. COFFEE FUTURES prices continued their violent seesawing pattern on the London terminal market yesterday...

NEW ZEALAND Optimism over wool market prospects

By DAI HAYWARD, WELLINGTON CORRESPONDENT. PRICES FOR New Zealand wool for the 1977-78 season...

Debating politics of surplus

By JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT. THE POLITICS of surplus dominated the opening morning of the Oxford Farming Conference...

Record Soviet grain harvest

By PETER BULLEN. NEW ZEALAND'S Dairy Board is confident that the question of unlimited access to the British market for NZ cheese will be resolved satisfactorily during the coming year...

Confidence on dairy exports to U.K.

NEW ZEALAND'S Dairy Board is confident that the question of unlimited access to the British market for NZ cheese will be resolved satisfactorily during the coming year...

S. Australian crops damaged by locusts

By Our Commodities Staff. GRAIN CROPS, vegetables, grapes and pastures in Southern Australia have been damaged by locust swarms...

U.K. NICKEL PRICE LOWER

By Our Commodities Staff. The price of nickel in the U.K. fell during January as announced by Inco Europe and Enlors...

Record Soviet grain harvest

By PETER BULLEN. THE SOVIET Government announced here that collective and State farmers had achieved the highest grain harvest in the Soviet Union's history...

COMMODITY MARKET REPORTS AND PRICES

Large table with commodity market reports and prices for various goods like wheat, sugar, oil, etc.

LEGAL NOTICES

Notice in the High Court of Justice in the Matter of MADDERY LIMITED... Notice in the High Court of Justice in the Matter of WESTCOAT PAPER LIMITED...

OVERSEAS PROPERTY

Notice in the High Court of Justice in the Matter of TWO SISTERS FASHIONS... Notice in the High Court of Justice in the Matter of DELGADO FORTES...

GOURMET

GALLIOLI RESTAURANT - Old brand... Notice in the High Court of Justice in the Matter of DELGADO FORTES...

PRICE CHANGES

Table with price changes for various commodities like metals, grains, etc.

US Markets

Copper falls as silver improves. COPPER market today lower on local liquidation... SILVER market today higher for spot delivery...

AUTHORISED UNIT TRUSTS

Table listing various unit trusts and their performance metrics, including Abbey Unit Tr. Mgmt., Allied Hambro Group, and many others.

INSURANCE, PROPERTY, BONDS

Table listing insurance, property, and bond companies and their products, including Abbey Life Assurance, City of Westminster Assn. Co. Ltd., and others.

REGIONAL MARKETS table showing share prices for various regional markets.

ABN Algemene Bank Nederland nv AMSTERDAM advertisement with details on 74% Bearer Notes 1973 due 1977/1980.

OFFSHORE AND OVERSEAS FUNDS

Table listing offshore and overseas funds, including Arbutnot Securities (C.I.) Limited, Delta Group, and others.

NEVER BE TO LIVERPOOL advertisement with contact information and a phone number.

NOTES section containing various financial notes and updates.

CHRISTIE & CO. Specialized in the sale of fine art, paintings, sculpture, and other collectibles.

FT SHARE INFORMATION SERVICE

HOTELS (Contd)

Table of hotel stock prices including names like Hilton, Holiday Inn, and Intercontinental.

INDUSTRIALS (Contd)

Table of industrial stock prices including companies like ICI, British Petroleum, and Shell.

ENGINEERING-Continued

Table of engineering stock prices including firms like BHP, British Steel, and British Airways.

DRAPERY AND STORES-Continued

Table of drapery and stores stock prices including companies like Debenhams and Next.

BUILDING INDUSTRY-Continued

Table of building industry stock prices including firms like Bovis Lend Lease and Bovis Construction.

CANADIANS

Table of Canadian stock prices including companies like Alcan and Inco.

BRITISH FUNDS

Table of British fund prices including various investment funds.

Five to Fifteen Years

Table of fund prices for the 5 to 15 year maturity range.

Over Fifteen Years

Table of fund prices for the over 15 year maturity range.

Undated

Table of undated fund prices.

INTERNATIONAL BANK

Table of international bank stock prices.

CORPORATION LOANS

Table of corporation loan rates and terms.

COMMONWEALTH & AFRICAN LOANS

Table of commonwealth and African loan rates.

LOANS (Miscel)

Table of miscellaneous loan rates.

FOREIGN BONDS & RAILS

Table of foreign bond and rail prices.

AGEVICANS

Table of agevicans stock prices including various international companies.

BANKS AND HIRE PURCHASE

Table of bank and hire purchase stock prices.

Hire Purchase, etc.

Table of hire purchase and other financial services.

REERS, WINES AND SPIRITS

Table of reers, wines, and spirits stock prices.

REERS, WINES AND SPIRITS (Contd)

Continuation of reers, wines, and spirits stock prices.

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ELECTRICAL AND RADIO

Table of electrical and radio stock prices.

ELECTRICAL AND RADIO (Contd)

Continuation of electrical and radio stock prices.

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Continuation of electrical and radio stock prices.

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REERS, WINES AND SPIRITS

Table of reers, wines, and spirits stock prices.

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REERS, WINES AND SPIRITS (Contd)

Continuation of reers, wines, and spirits stock prices.

Conversion factor 0.6937 (0.6898)

Handwritten note: buy 1000

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock name, price, and change.

INSURANCE

Table of insurance companies such as British Overseas Insurance, Commercial Union Assurance, and others.

PROPERTY—Continued

Table of property-related stocks including British Land, Commercial Union Assurance, and others.

TRUSTS—Continued

Table of trust companies such as British Trustee, Commercial Union Assurance, and others.

TRUSTS—Continued

Table of trust companies, including various investment trusts and financial institutions.

TRUSTS—Continued

Table of trust companies, including various investment trusts and financial institutions.

TRUSTS—Continued

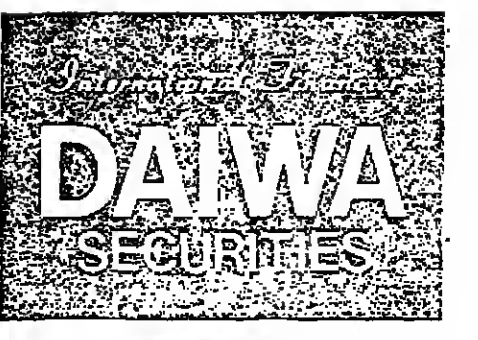
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TRUSTS—Continued

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Table of trust companies, including various investment trusts and financial institutions.



MINES—Continued

Table of mining stocks including Anglo American, De Beers, and others.

FAR WEST RAND

Table of Far West Rand mining stocks.

FINANCE, LAND, ETC.

Table of finance, land, and other stocks.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks.

CENTRAL AFRICAN

Table of Central African stocks.

AUSTRALIAN

Table of Australian stocks.

TINS

Table of tin stocks.

COPPER

Table of copper stocks.

MISCELLANEOUS

Table of miscellaneous stocks.

NOTES

Notes section containing various financial notices, company announcements, and market commentary.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks.

Commercial Vehicles

Table of commercial vehicle stocks.

Components

Table of component stocks.

Garages and Distributors

Table of garage and distributor stocks.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks.

PAPER, PRINTING, ADVERTISING

Table of paper, printing, and advertising stocks.

PROPERTY

Table of property stocks.

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SHIPBUILDERS, REPAIRERS

Table of shipbuilders and repairers stocks.

SHIPPING

Table of shipping stocks.

SHOES AND LEATHER

Table of shoes and leather stocks.

SOUTH AFRICAN

Table of South African stocks.

TENTILES

Table of tentile stocks.

TEXTILES

Table of textile stocks.

TOBACCO

Table of tobacco stocks.

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We pay for your steel until you need it

FINANCIAL TIMES

Wednesday January 5 1977

Factories and Warehouses 20% Rent Rebates for Industry Rent Fairview from: 65p PHONE 01-366 1271

Pound rises on approval of IMF loan

By Michael Blenden

THE POUND rose again yesterday and the gilt-edged market had another good day following news of the formal approval of Britain's credit from the International Monetary Fund.

Interest rates

The relative calm in exchange markets is also helping to encourage the hopes of another cut in interest rates.

Rubery Owen peace formula accepted

By Peter Cartwright

TALKS to restructure the outdated wages and industrial relations framework at Rubery Owen began yesterday immediately after striking electricians had accepted a peace formula to end their month-long pay dispute.

Continued from Page 1

Rhodesia solution

attitude appears to have been decidedly non-committal. The agreement on both sides to meet again in about a month would seem to indicate that Mr. Vorster has decided to accept what guarantees Mr. Richard can win on the rest of his tour from the front-line Presidents.

Palestinians head towards government-in-exile

By Richard Johns

THE PALESTINIAN CENTRAL COUNCIL will meet next Tuesday in Damascus amid clear indications that the movement will soon set up a Government-in-exile and — in co-ordination with the Arab States directly concerned — insist on individual representation at a reconvened peace conference in Geneva this year.

Guthrie plans to reshape its Malaysia interests

By Margaret Reid

GUTHRIE CORPORATION, the British group with large rubber and palm oil interests in Malaysia, is far advanced with preparations to replace its registered plantations subsidiary with a smaller number of Malaysian companies.

Ranks bids \$23m. for U.S. company

By Keith Lewis

RANKS HOVIS McDougall, \$37.9m., \$4.4m. and \$4.9m. respectively. The trading profits of Red Wing in 1976 were \$5.1m. (approximately \$3m.).

Fewer parcels by post

FINANCIAL TIMES REPORTER

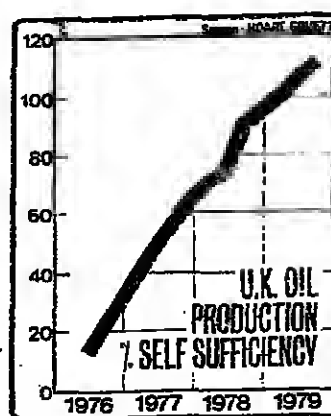
THE POST OFFICE had a mixed Christmas, with a marginal increase in letter traffic but a substantial fall in parcels sent during December.

THE LEX COLUMN

From the IMF to the North Sea

In stock market terms, 1977 is coming in like a lion.

Index up 5.9 at \$60.6



There are a number of reasons for this dramatic reversal from the atmosphere of near despair in the late autumn. Interest rates, first of all, are now clearly declining.

U.S. Growth

Another important influence has come from across the Atlantic. The Dow Jones Index is almost back at its high point, and almost before the Carter regime has come to power the leading economic indicators have turned positive.

Horse-trading

There is no reason to expect this trend to change a great deal in 1977; much horse-trading will be involved in the Stage Three wages deal to be struck in the spring.

We can't afford a computer!

Advertisement for KIENZLE 2000 Office Computer, featuring an image of the computer and text describing its features and benefits.